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Montreal Talks in Crisis Food Exporters Rebel Against U.S.-EC Impasse

By Reginald Dale Montreal trade talks were plunged into crisis Thursday night as an increasing number of farm exporting countries rebelled against the failure of the United States and the European Community to settle their acrimonious dispute over agricultural subsidies.



Residents of a town in Armenia, following the earthquake that leveled many buildings in the region.

Death Toll in Armenia Quake Reaches Tens of Thousands; Vast Devastation Is Reported



By David Remnick Washington Post Service MOSCOW — The earthquake that struck Soviet Armenia on Wednesday killed tens of thousands of people, left hundreds of thousands homeless and destroyed at least half the buildings in the republic's second and third largest cities.

Gorbachev, Citing the Earthquake, Rushes Back to Moscow

By Fred Farris International Herald Tribune NEW YORK — President Mikhail S. Gorbachev cut short his visit to the United States and flew home Thursday after an earthquake killed thousands of people in Soviet Armenia.

day night to return home when the magnitude of the earthquake became clear. Mr. Gorbachev plans to visit the stricken area Friday.

Kremlin leader to let him know if the United States could help. Mr. Reagan also told Mr. Gorbachev that he viewed their meeting Wednesday as "very useful" for both sides.

Mr. Bush for their "profound condolences on behalf of the American people." Mr. Gorbachev said he had learned Wednesday about the severity of the earthquake.

"We believe it was characterized by a readiness to understand the positions of each other," he said, "and yesterday, when I was asked to describe in one word the essence and the main motif of that meeting, I said that word was 'continuity'."

"The road ahead will be tough," he added, "but we will go ahead and will, I believe, be building on what has been achieved if we act as we have been acting and also maybe add something new. I think that will open up good prospects for our

U.S. Plane Crashes in W. Germany

By Serge Schmemmann New York Times Service BONN — A blazing U.S. Air Force plane ploughed into a residential area of the city of Remscheid on Thursday, gouging a trail of flame and destruction and leaving at least 4 dead and 40 wounded.

Protectionism/Free Trade

The tension and confrontation of the GATT talks in Montreal have directed oew emphasis on the developing problems of world trade. As at no other time in recent years, protectionist and free trade forces have squared off in potentially explosive opposing positions.



U.S. Secretary of State George P. Shultz, right, talking with the British foreign secretary, Sir Geoffrey Howe, Thursday in Brussels as the 16 NATO foreign ministers met for an opening session.

NATO Says Moscow Must Increase Cuts

By Joseph Fitchett International Herald Tribune NATO foreign ministers said Thursday that the Soviet Union would have to eliminate two-thirds of its tanks in Eastern Europe, in exchange for minimal cuts in Western forces, to achieve military stability in Europe through East-West disarmament negotiations.

Wagging how meaningful the Soviet step might be militarily, officials said that they would have to watch closely to see how the pull-back was implemented. "Six tank divisions rolling out of East Germany, Czechoslovakia and Hungary is a significant change; a lot of people are going to sleep easier in West Germany," Colonel Andrew Duncan of the International Insti-

trich Genscher of West Germany said the Soviet cutback had vindicated his view that Mr. Gorbachev sought détente and showed that it was time for "discarding the faint-heartedness" about disarmament in what he called conservative circles in Bonn and Washington.

2 U.S. Planes Hit in Morocco

WASHINGTON (Combined Dispatches) — Missiles hit two U.S. planes on flights to Morocco for the Agency for International Development on Thursday, and one of the planes was shot down, the agency said. All five crew members of the plane that was shot down, identified as a DC-7, were presumed dead, it said.

London 1992: Cars May Drive You

By Craig R. Whitney New York Times Service LONDON — Within two or three years, drivers facing London's famous traffic snarls could get some much-needed help. A European-designed system called Autoguide will enable motorists to let a tiny-voiced central computer in the dashboard quickly guide them around jams to their destinations.



Will Gangsters Recant? Hong Kong to Find Out

By Coleen Geraghty International Herald Tribune HONG KONG — It was brutal, but no more so than many other murders here, police officers said. The group of young men accused a 22-year-old hairdresser early Tuesday, repeatedly plunging barbecue forks into his face and body.

Thousands still feel trapped in the triads' outer web. rulers to the throne. But latter-day triad societies have become involved in drugs, gambling, prostitution and loan-sharking. The police say the societies have infiltrated private bus and transport companies, the wholesale fish and vegetable trade and the restaurant and nightclub business.

General News: The Marine Corps has been shaken by the story of a corporal who died in the California desert. PLO statements on Israel get a cool reaction from George P. Shultz. Business/Finance: A former Federal Reserve official was charged with leaking interest rate information to a brokerage house. France's Socialist government plans to break up coe stakes in companies privatized by its predecessor.

Table with market data: Dow Jones 11,922, The Dollar in New York DM 1.7385, Pound 1.8545, Yen 122.275, FF 6.597.



A rescue worker escorting a resident away from the site of the crash in Renscheid. The U.S. jet had 1,000 rounds of 30mm ammunition.

### CRASH: At Least 4 Dead and 40 Injured in U.S. Jet Accident in Germany

(Continued from page 1)  
The plane had taken off with 17 others to practice low-flying over another area, and that about two kilometers from Renscheid — an industrial city of 125,000 about 25 miles east of Düsseldorf — it began to spew flames. Air Force spokesmen said the plane was not practicing low-flying at the time of the crash.

There were conflicting reports on the number of dead and injured. The police and military officials at the scene said six persons had been confirmed dead, but a fire chief and a city official late Thursday night put the figures at four.

In Brussels, where NATO foreign ministers were gathered for a meeting, Foreign Minister Hans-Dietrich Genscher used the crash to remind allied colleagues of the "extraordinary burden" that he said was carried by West German citizens for the Western defense.

"I was working on my garage roof when the plane came down only 15 meters above my head, already burning and giving off heat," said Fritz Hesse, 65. "Then I saw that everything around me was on fire."

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### Ice Cited in Crash Killing 248 GIs

OTTAWA (UPI) — A slim majority of Canadian Aviation Safety Board members concluded Thursday that icing on the wings was the most probable cause of the 1985 Arrow Air jet crash in Newfoundland that killed 248 U.S. soldiers and eight crew.

### Mandel Conviction Reviewed

BALTIMORE — A three-judge panel of a Federal Appeals Court upheld Wednesday a lower court decision to vacate the 1977 conviction of Marvin Mandel, a former governor of Maryland, and five others who swept out of the fog at about 1:30 P.M.

### Israeli Troops Killed by Palestinian

GAZA CITY, Israel-Occupied Gaza Strip — Troops shot to death an Arab teenager Thursday as Palestinians in the West Bank and Gaza Strip went on strike to mark the first anniversary of their uprising against Israeli occupation.

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GOLDEN CENTENARY 1895 METAXA 1995  
ESTABLISHED 1895  
Ritual has always been a part of triad society, and today, many members are required to memorize arcane poems composed of ancient and unfamiliar Chinese characters.

### A Look at the Deadly Tolls Of Recent Major Temblors

Earthquakes have claimed tens of thousands of victims around the world in the past 20 years, but the most lethal in recorded history hit Shaanxi in China in 1556, killing 830,000 people.

### QUAKE: Tens of Thousands Died

(Continued from page 1)  
around fires caused by the quake. The main square was filled with survivors standing by small bonfires. Roads leaving the city were jammed with fleeing people.

## Arafat Words on Israel Get Cool Reaction From Shultz and the Israelis

NEW YORK — Secretary of State George P. Shultz has reacted coolly to the comments in Stockholm in which Yasser Arafat, chairman of the Palestine Liberation Organization, apparently accepted the existence of Israel.

Mr. Shultz, appearing at a news conference on Governors Island on Wednesday after the meeting between President Ronald Reagan, President-elect George Bush and Mikhail S. Gorbachev, the Soviet leader, said he had only "heard a brief report" on the meeting between Mr. Arafat and five American Jews, so he did not want to be "too definitive about it."

But he said that the United States had made clear the things that must be said by the PLO and positions it needs to adopt if the United States is to have substantive dialogue with the organization. "And they're well known," he said.

## WORLD BRIEFS

### Supporters Urge Release of Mandela

JOHANNESBURG (AP) — Supporters of the leader of the African National Congress, Nelson Mandela, demanded Thursday that he be unconditionally released, saying his transfer to a house on a prison farm simply gave him a more luxurious cell.

### Khmer Rouge Say They'll Join Talks

BANGKOK (Reuters) — The Khmer Rouge leader, Kieu Samphan, will meet Prince Norodom Sihanouk next week in Paris, and Mr. Kieu Samphan's guerrilla faction will attend talks on the Cambodian conflict later this month, the guerrilla radio said on Thursday.

### Thailand Boosts Refugee Protection

BANGKOK (AFP) — Thailand is increasing the number of its troops at refugee camps controlled by the Khmer Rouge on the Thai-Cambodia border to prevent human rights abuses by the guerrillas, a senior Thai official said Thursday.

### Czechoslovakia to Allow Rights Rally

PRAGUE (Reuters) — The Czechoslovak authorities gave permission Thursday for the first officially sanctioned demonstration by independent groups in 20 years, a prominent member of the Charter 77 human rights group said Thursday.

### Pretoria Sentences 11 for Treason

JOHANNESBURG (WP) — The three principal defendants in a treason trial that judicially defined the limits of protests against apartheid were sentenced Thursday to terms ranging from 10 to 12 years.

### U.S. Eases Entry for Soviet Emigres

WASHINGTON (WP) — U.S. Attorney General Richard L. Thornburgh, responding to problems presented by the wave of refugee applications from Soviet Jews and other Soviet citizens, moved on Thursday to ease the way for emigres to enter the United States.

### TV Report Says Miyazawa to Resign

TOKYO (Reuters) — Finance Minister Kiichi Miyazawa has decided to resign to help win passage of the Liberal Democratic Party's tax reform bills, the Japanese television station, Nippon Hoso Kyokai, said. Other news media reports said only that it was likely Mr. Miyazawa would be forced to resign.

### Argentine Rebels Still Control a Base

BUENOS AIRES (Reuters) — A military base west of the capital remained under the control of rebel army officers Thursday, officials said, despite earlier reports that the rebellion had ended.

### France Relaxes Visa Requirements

PARIS (Reuters) — France lifted visa requirements Thursday for citizens of the 21-nation Council of Europe except Turkey, citing improved European cooperation against terrorism. The council comprises Switzerland, Liechtenstein and Austria, Cyprus, Malta, Greece and Turkey.

### Paris Rail and Air Traffic Disrupted

PARIS (AFP) — Public transportation in Paris and the capital region remained seriously disrupted Thursday despite government optimism after the signature Wednesday of a wage agreement by some unions.

### 24 Sudanese Rebels Killed

KHARTOUM, Sudan — Sudanese troops have killed 24 rebels of the Sudan People's Liberation Army who attempted to enter the town of Nasir, near the border with Ethiopia, the army said Thursday. Two government soldiers also died in the battle last week.

### TRIAD: Will Gangsters Recant?

(Continued from page 1)  
and its commitment to confidentiality. Headed by a retired assistant principal crown counsel, Kenneth Mak Wah-ko, the tribunal will conduct interviews with those seeking amnesty in various secret locations around Hong Kong. It will include experts from related fields, community leaders and ordinary citizens.

### DEATH NOTICE

GEORGE SEFELIN  
passed away last week in Nice, France at the age of 76.  
the late Mr. Georges Sefelin was a famous jazz player in the 1940's and successful businessman in Nice. (Family SEFELIN-MENSEL)

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**THE GORBACHEV**  
Afghan Troops Greeted Mujahidin  
Richard M. Weintraub  
ISLAMABAD, Pakistan — President Muhammad S. Gorbachev's promise for a cease-fire in Afghanistan and a new international conference to guarantee the country's neutrality received a cool reception Thursday from Afghan guerrilla leaders and Pakistani officials.  
Gorbachev wants a settlement of the Afghan problem, he said, but the Afghan people will not accept a Soviet force in their country. Mowlavi said the guerrillas want to win political power in Kabul, one of the seven provinces of the seven-year-old Islamic republic.  
Mr. Gorbachev said that a cease-fire would amount to a recognition of the government of Major General Abdul Karim Hekmatyar, known as the Mujahidin, and he refused to do so in the present circumstances. "Gorbachev wants to win political power in Kabul," Mowlavi said.  
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حکومت افغانستان

THE GORBACHEV TRIP: Earthquake, not political repercussions, cited as the reason for his return to Moscow

Afghan Truce Proposal Is Greeted Coolly by Mujahidin and Pakistan

By Richard M. Weintraub Washington Post Service

ISLAMABAD, Pakistan — President Mikhail S. Gorbachev's proposals for a cease-fire in Afghanistan and a new international conference to guarantee the country's neutrality received a cool response Thursday from Afghan guerrilla leaders and Pakistani officials.

"If Gorbachev wants a settlement of the Afghan problem, he should withdraw all Soviet forces and stop supporting the puppet regime in Kabul," said Mowlavi Yunus Khalis, one of the seven leaders of the anti-Soviet Afghan alliance.

Mr. Khalis said that a cease-fire would amount to a recognition of the government of Major General Najib in Kabul, something the anti-Communist guerrillas, known as the mujahidin, have refused to consider under any circumstances.

"Gorbachev wants to win politically the battle he lost in the field," Mr. Khalis said.

He was joined in his condemnation for the Jamiat-i Islami group, who said "a cease-fire in the presence of invading forces is meaningless in Afghanistan."

While both guerrilla spokesmen appeared to rule out a general cease-fire on Jan. 1 as Mr. Gorbachev proposed in his speech to the United Nations on Wednesday, the issue of a limit on hostilities between the Mujahidin and withdrawing Soviet forces is one that was discussed in talks between the two in Saudi Arabia earlier this week.

The talks are expected to resume in about 10 days, probably in Pakistan, where the issue is expected to be further explored.

In New York, Secretary of State George F. Shultz rejected a proposal by Mr. Gorbachev that the U.S. stop arming the guerrillas. He said they were justified in trying to seize territory before the Soviet Army completed its withdrawal.

The fighting would continue, Mr. Shultz said, "because the people of Afghanistan, broadly speaking, do not accept the fact that the puppet regime is entitled to hold certain areas of that country."

"We proposed to the Soviet Union quite some time ago a mutual cessation of supplies, and they rejected that," Mr. Shultz said at a news conference after the meeting between Mr. Gorbachev, President Ronald Reagan and President-elect George Bush at Governors Island.

China Applauds Pullback China said Thursday that it welcomed Mr. Gorbachev's decision to cut Soviet forces by nearly 10 percent and pull back some soldiers from the Chinese border in Mongolia. The Associated Press reported from Beijing.

"This is a positive development," the Foreign Ministry spokesman, Li Zhaoxing, said.

Asked if it enhanced prospects for next year's proposed Chinese-Soviet summit, Mr. Li said: "The Soviet Union indicated it now has the intention to clear away all the obstacles standing in the way of normalization of Chinese-Soviet relations. We hope the Soviet Union will take further practical steps to eliminate all the obstacles once and for all, as soon as possible."

The Soviet Union has nearly 50,000 troops stationed in Mongolia, which has been a close ally since declaring independence from China and establishing a socialist government in 1921.



Prime Minister Thatcher telling the press Thursday that she understood why Mr. Gorbachev would not be visiting Britain. Ambassador Zamyatin accompanied her outside 10 Downing St.

A Surprised Mrs. Thatcher Calls the BBC

International Herald Tribune

LONDON — Prime Minister Margaret Thatcher surprised millions of early-morning radio listeners Thursday when she phoned the BBC to say that the first news she had received of Mikhail S. Gorbachev's decision to return to Moscow had come on a BBC news report only minutes before.

"It was the first indication which we had," Mrs. Thatcher said on the air a few minutes before 7 A.M. "But of course, we understand. When there is a tragedy like that, Mr. Gorbachev has to go home. Anything else would be unthinkable."

A spokesman for Mrs. Thatcher said that the Soviet Embassy had later explained that it did not want to disturb her "too early" with news that the Soviet president would not be arriving as planned in Britain next week for an official visit.

Before Mrs. Thatcher made the call, a Soviet official being interviewed in New York by the BBC had said he was concerned that she was not aware of Mr. Gorbachev's decision. Picking up the cue, the prime minister phoned in to the radio to say: "I heard that you didn't know whether I had heard. So I thought I'd better let you know I had."

'No Dangers' for Gorbachev

Soviet Rights Aide Denies Political Problems in Moscow

By Meg Bortin International Herald Tribune

PARIS — Political motivations played no part in the decision of President Mikhail S. Gorbachev to cut short his visit to the United States and return to Moscow after announcing unilateral troop reductions, according to a senior Soviet official and adviser to the Kremlin leader.

"I don't believe there are any political dangers in Moscow," Fyodor M. Burlatsky, head of the Soviet Human Rights Commission, said in an interview Thursday.

He said he did not believe the Soviet president's departure was linked to the resignation of Marshal Sergei F. Akhromeyev, chief of staff of the Soviet armed forces, or to ethnic tensions in the Transcaucasus, where a severe earthquake struck Armenia on Wednesday.

Mr. Burlatsky, who is in Paris to attend events marking the 40th anniversary of the Universal Declaration of Human Rights, elaborated on a number of points made by Mr. Gorbachev at the United Nations on Wednesday in describing future Kremlin action on human rights.

He notably said that a new law on the rights of Soviet citizens seeking to emigrate would probably see seven years as the maximum period of refusal on "security" grounds. Now there is no such limit.

Mr. Gorbachev cut short his tour within hours of his UN speech. Soviet officials said reports of high casualties in the earthquake in Armenia had forced the decision.

As Mr. Gorbachev spoke, a Soviet spokesman announced that Marshal Akhromeyev, an outspoken proponent of previous Kremlin arms control moves, was resigning for health reasons. The troop cuts are believed to be opposed by the Soviet military establishment.

Mr. Burlatsky, a former speech writer for Nikita S. Khrushchev, the late Soviet leader whose down-

fall in 1964 was preceded by a similar attempt to reduce the size of the armed forces, said that the situation facing Mr. Gorbachev was different mainly because a new generation of officials who came of age after the Stalin era had entered the Kremlin leadership.

"After the last plenums, the balance of forces is now quite good for people who have supported deep reforms in our country," he said, referring to a series of Kremlin reshuffles, which have put supporters of Mr. Gorbachev in key positions while edging conservatives aside.

He added that the earthquake in Armenia could serve to ease ethnic tensions between that republic and neighboring Azerbaijan. "After the earthquake, something must change to create a more human atmosphere between Armenia and Azerbaijan," Mr. Burlatsky said.

"There must be a new approach, more humanism. Help should come not just from Moscow, but from Baku." Baku is the Azerbaijani capital.

Disclosing details of Kremlin plans for strengthening civil rights, Mr. Burlatsky said that a law on the rights of Soviet citizens wishing to emigrate would be published in the first half of 1989 and, in its latest draft version, would set a limit of seven years on the period during which exit visas could be refused for possession of military, industrial or state secrets.

He said his commission, created last year as Moscow began addressing Western human rights concerns, had asked that the limit be set at five years, "considering the speed of technological progress."

The commission also proposed that citizens refused exit visas should have the right to appeal in court as well as to parliamentary human rights commissions, which are expected to be created in Moscow and the 15 Soviet republics.

At present, Soviet citizens have no legal recourse when denied permission to emigrate on the grounds that they once had access to classified information. At times, and in some cases that are pending, the alleged secrets were acquired more than a decade ago.

In his speech Wednesday, Mr. Gorbachev said that the changes would end "the problem of the so-called refuseniks."

But Mr. Burlatsky indicated that the matter was not yet resolved, saying that "very sharp arguments" continued about the law.

"I'd call this a problem of conservatism and an authoritarian, patriarchal pattern of government, dating from Stalin's time," he said.

Mr. Burlatsky, a prominent journalist who spent a long period in the political wilderness after Khrushchev's ouster, also criticized government ministries for their handling of the release of Soviet political prisoners.

He contested the figures provided by ministries on the number of political detainees, and said that his commission was using lists provided by Western rights organizations and was pressing the ministries to investigate each case.

Mr. Burlatsky said the commission had proposed that a declaration of human rights be included in the Soviet Constitution. He said a list of suggested principles, based on the UN's universal rights declaration of 1948 and the 1975 Helsinki Final Act, would be published in the Soviet press this month.

Although the Soviet Union abstained from voting on the UN declaration in 1948, a number of prominent Soviet figures are scheduled to attend an anniversary celebration in Paris on Saturday. Andrei D. Sakharov, the nuclear physicist who won the Nobel Peace Prize for his rights activities, was due to arrive from the United States on Friday for the event.

NATO: Alliance Says Russia Must Increase Troop Cuts

(Continued from page 1) Institute of Strategic Studies in London said.

How deeply the Soviet assault force is dented, he and other experts said, depends on which units are withdrawn. Since Hungary and Czechoslovakia are each believed to have only two Soviet tank divisions, the experts said, it would be logical for four divisions to be taken from East Germany, which has 11. The divisions in East Germany would probably spearhead any Warsaw Pact attack.

Of the 10,000 Soviet tanks to be scrapped, according to Pierre Lelouche, of the French Institute for International Relations, "the majority can come from older tanks, leaving the Soviet forces leaner and actually meaner." Soviet forces can be expected to keep most of their 2,500 T-80 tanks, which have heavy firepower and advanced armor and can ford rivers.

The Warsaw Pact could still launch an effective surprise attack against NATO with the forces that will remain after the Soviet pullback, military officers said.

To change the Warsaw Pact's offensive posture, the NATO minist-

terial statement said that the Soviet Union should drastically reduce its armored equipment and artillery.

For stability, it added, no country should have more than 30 percent of any category of arms stationed in Europe, a ceiling that requires deep cuts in Soviet ground forces and combat aircraft. In contrast, U.S. troops stationed in Europe are only a small percentage of NATO forces, which would be reinforced in wartime from the United States.

Western foreign ministers indicated that the discussions planned for next year and known as the Conventional Stability Talks would probably take several years to produce any agreement.

Meanwhile, officials said, Mr. Gorbachev's step could widen political divergences in the West on the security issues currently preoccupying NATO.

Militarily, the Soviet pullback fits overall Western objectives in the planned arms-control talks of eliminating Soviet offensive equipment. NATO and the Warsaw Pact both have said that they will accept on-ground inspection to ensure enforcement of an agreement, which would focus on tanks and

other advanced weapons, not numbers of troops.

NATO has said that it will not discuss any further nuclear disarmament in Europe until a conventional-force treaty is reached, but Mr. Gorbachev's announcement already has strengthened opposition to modernizing nuclear weapons in West Germany.

Western leaders have maintained, since NATO was created in 1949, that nuclear weapons were needed in Europe to offset the offensive power of Soviet conventional forces. That argument was weakened in West German eyes, NATO officials said, by Mr. Gorbachev's comment Thursday that Mr. Gorbachev had proved his commitment to eliminating Soviet troop superiority in Europe.

Divergences among NATO governments about the potential significance of the Soviet pullback were liable to complicate progress in crafting a "comprehensive concept" about how NATO should modernize its weapons without blocking arms control. The Bonn government has linked NATO's adoption of this concept to agreement about new U.S. nuclear weapons to be stationed in West Germany.

Armenia Has Suffered Many Quakes

International Herald Tribune

The part of Armenia devastated by the earthquake is situated in a noted fault zone that has been afflicted many times this century by tremors and heavy loss of life.

Armenia, already suffering because of ethnic strife with Azerbaijan that has sent tens of thousands of refugees in search of safety, was devastated in at least three previous earthquakes, in 894, 1676 and 1840.

The latest, which was followed by a major aftershock, was described in Moscow as the worst to hit the Transcaucasus region this century.

The U.S. Geological Survey said it registered 6.9 on the Richter scale, a logarithmic measurement of the energy dissipated by a tremor. The scale has no theoretical upper limit, but the largest earthquakes reach a value of about nine.

Soviet officials said the epicenter of the quake was near Leninakan, a city of 200,000 in the northwestern part of Armenia, and that its effects spilled over into the neighboring republics of Azerbaijan and Georgia. According to Soviet television,

Leninakan and the nearby centers of Spitak and Kirovakan, the republic's third-largest city, were largely demolished.

The quake also caused widespread but as yet uncalculated damage across the frontier in the Turkish city of Kars and the surrounding region.

Geologists describe the entire Caucasus region as a vulnerable seismic zone that lays athwart several major earth faults, the most dangerous of which is the North Anatolian fault, which has been responsible for several earthquakes in which many thousands of people have been killed this century. Another fault line lies just to the south of Armenia and Azerbaijan in northern Iran.

The most heavily damaged area of northwestern Armenia is a region of high mountain ranges, deep river valleys and lava plateaus dotted with extinct volcanoes.

Lying on the northwestern extremity of central Asia, Armenia is the smallest of the 15 Soviet republics, and houses in its highlands one of the world's oldest continuous civilizations, which was flourishing before the birth of Rome.

GORBACHEV: Sudden Flight Home After Quake

(Continued from page 1)

two peoples and will be extremely important for the world as well."

In an unexpected incident just before Mr. Gorbachev climbed the steps to his plane, a former Apollo astronaut, James B. Irwin, presented him with the Soviet flag that went to the moon in 1971 with the Apollo 15 mission.

"I do appreciate very much your efforts for peace throughout the world," Mr. Irwin told the Soviet leader.

Mr. Gorbachev, his wife, Raisa, and their party took off in bright sunshine in their Aeroflot jet shortly after 1 P.M.

Their departure forced the cancellation of several events scheduled for Thursday. The Gorbachevs were to have formally opened a major Soviet trade show at the Jacob Javits Center in Central Park. They had also been planning to visit the Metropolitan Museum of Art and to meet Senator Edward M. Kennedy and the children of the late President John F. Kennedy, John Jr. and Caroline.

official visits to Cuba, where he was to have met President Fidel Castro, and to Britain for talks with Prime Minister Margaret Thatcher.

While in London, he had been due to have lunch with Queen Elizabeth II and her husband, Prince Philip. The queen sent him a message on Thursday saying she had been distressed to hear about the earthquake and expressing sympathy for the victims.

While U.S. officials accepted at face value the stated reason for Mr. Gorbachev's sudden return home, there was some speculation that it could have stemmed partly from difficulties with hard-liners and the military in Moscow following his announcement Wednesday that the Soviet Union would cut its military forces by 500,000 men and 10,000 tanks.

Senator John Warner, Republican of Virginia, raised questions over the resignation of Marshal Sergei F. Akhromeyev, chief of staff of the Soviet armed forces. Mr. Warner, a member of the Foreign Relations Committee, said in a television interview that the resignation, said to be for health reasons, could "signal some problems at home" and might impede Mr. Gorbachev in executing his decision to reduce military forces.

Foreign Minister Shevardnadze denied that Mr. Gorbachev was returning to Moscow for political reasons, and Gennadi I. Gerasimov, the Soviet Foreign Ministry spokesman, said Wednesday that General Dmitri T. Yazov, the Soviet defense minister, would stay in his post.

But unconfirmed reports in Moscow have suggested that General Yazov could eventually move to another job. According to these reports, he could be succeeded by a civilian, possibly Oleg Baklanov, who serves as a secretary on the Central Committee of the Communist Party and holds responsibility for the Soviet defense industries.

"I think it's definitely the earthquake," said an American diplomat in Moscow. "Gorbachev did what any head of state would do with so many dead. He can't be shaking hands and smiling in Havana or London with Armenia in rubble." Moscow Radio said that the news to Cuba and England would be rescheduled.

Following its solid earnings in 1987, BASF is again turning in a strong performance in 1988. Figures for the first three quarters show Group sales up by 7.8% and pre-tax profits up by 22.7% over the comparable period of the previous year. Pre-tax profits reached DM 2.6 billion on sales of some DM 32.5 billion with especially strong demand in the chemicals, plastics, dyestuffs, and finishing products sectors. Capital investments increased by 31.9%. For the parent company, BASF Aktiengesellschaft, sales rose 11.8% to DM 15.5 billion, and

pre-tax profits were boosted by 48.6% to DM 1.9 billion. These results reflect a strengthened competitive position and a continued upward trend evident already in the second half of 1987.

Outlook Promising

Based on the results achieved during the first three quarters of 1988, the year's outlook for BASF and its shareholders is indeed promising.

Looking beyond 1988, BASF is well-positioned as one of the world's blue-chip chemical companies. Its long-term

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Mozart

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Piano Concerto No 27 K.595 Daniel BARENBOIM, soloist and conductor

Requiem K.626 Joan Rodgers, Cecilia Bartoli, David Rendall, Ferruccio Furlanetto, Chorus of Orchestre de Paris, Arthur Oldham, chorus master ORCHESTRE DE PARIS Daniel BARENBOIM, conductor For tickets, telephone: 47.20.3637 (EF: 250, 200, 170, 120, 80, 40)



A special concert for the benefit of Association pour la Recherche sur le Cancer.

As Quarrels Cripple Portugal's Left, Opposition Voice Fades

By Peter Wise Washington Post Service

LISBON — Opposition to the center-right government of Prime Minister Anibal Cavaco Silva of Portugal is fading as the Communists and the Socialists engage in power struggles within their own parties. The developments come 18 months after an electoral defeat that shook the Portuguese left.

And the Socialists, the country's main opposition party, have been shaken by the unexpected resignation of the party leader, Vitor Costa, a young economist who says the left is failing to come to terms with Portugal's development as a modern democracy.

Portuguese Communists are apparently facing their first open split in decades, despite a facade of unity erected by the party congress over the weekend.

Delegates approved the party's first new program since 1965, adopting some measure of flexibility by accepting the principle of limited private ownership and declaring that abolition of capitalism should come through the democratic process.

The challenge to leadership has its most prominent champion in Zita Seabra, 39, who was considered one of the bright young hopes of the party until she was expelled from the Central Committee last month for insisting on open discussion of the implications for Portuguese Communists of Mr. Gorbachev's policies.

Her dismissal, after a disciplinary process in which she was accused of such bourgeois habits as belonging to a health club, prevented her from speaking at the congress.

JTC INVITATION TO TENDER FOR THE DEVELOPMENT OF A WORLD CLASS RESORT-STYLE MARINA AT TUAS, SINGAPORE. The Jurong Town Corporation invites tenders for the development and operation of a world class resort style marina.

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Pickering Assisted Contras Bush's UN Envoy So Testified in '87. By Walter Pincus WASHINGTON — Thomas R. Pickering, who has been selected by President Bush to be the U.S. ambassador to the United Nations, helped arrange a \$1 million donation of arms to the Contras in Nicaragua through Oliver North, according to his own testimony.

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Voice Fades

Her dismissal, after a... any process in which... of such bourgeois... belonging to a health... her from speaking at... gress.

Pickering Assisted Contras

Bush's UN Envoy So Testified in '87

By Walter Pincus

Washington Post Service

WASHINGTON — Thomas R. Pickering, who has been selected by President-elect George Bush to be UN ambassador, helped arrange a secret donation of more than \$1 million in military equipment to the Nicaraguan rebels through Oliver L. North, according to his own testimony.

His actions, which he described to the congressional committees investigating the Iran-contra affair, came at a time when the government was prohibited by Congress from aiding the rebels.

Mr. Pickering, then U.S. ambassador in El Salvador, said that in December 1984 or early 1985 he was given a list of weapons and support equipment from an individual representing a private group of Nicaraguan exiles and others.

These persons had told him they had a problem arranging delivery to the contras because the arms were located in an unnamed country and had to be shipped by sea.

Instead of reporting the situation to the State Department, Mr. Pickering testified, he carried the document on his next trip to Washington, called Mr. North and had it delivered to him.

He said he chose Mr. North because he had heard "that Ollie was actively engaged in either supporting or encouraging private support, and perhaps foreign government support for the contras at a time when Congress had restricted military assistance to the rebels."

He said it was his impression that "people believed this was a legal activity" on the part of the National Security Council.

Mr. Pickering also told the committees in his July 1987 testimony that he did not report his actions to the State Department, which "he normally would have done."

He said he was not sure with whom he would have talked in the department, "because it involved a sensitive private operation and not a public one."

Secretary of State George P.



Thomas R. Pickering

Spultz told the Iran-contra committee that he had "no direct knowledge" of Mr. North's assistance to the contras.

On Wednesday, a State Department spokesman had no comment on Mr. Pickering's testimony, adding that department officials were studying the deposition.

A retired Foreign Service officer who served at one time with Mr. Pickering and who considers him a friend said Wednesday it was "uncharacteristic" that the man who is now one of the senior ranking career ambassadors in the State Department would have failed to report such a matter to his superiors.

At the time Mr. Pickering was in El Salvador, Langhorne A. Motley was assistant secretary for inter-American affairs and the person to whom Mr. Pickering would have reported, Mr. Motley could not be reached for comment Wednesday.

The secret arms shipment was not the only matter in which events or personalities in the Iran-contra affair touched Mr. Pickering.

While in El Salvador in early 1985, Mr. Pickering told investigators, he was called by Donald P. Gregg, Mr. Bush's choice as national security adviser, who asked him to talk to Felix J. Rodriguez, who was coming to El Salvador.

In late 1985 and 1986 — after Mr. Pickering left El Salvador — Mr. Rodriguez worked secretly in El Salvador for Mr. North's secret resupply operation to the contras.

Mr. Rodriguez became a controversial figure in the investigation because Mr. Gregg and other Bush advisers testified that they and the vice president were unaware he was doing anything other than working with the counterinsurgency program of the El Salvador Air Force.

Mr. Pickering testified that he had not known of any connection between Mr. Rodriguez and the contras.

Marine's Lonely Death in California Desert Shakes the Corps

By Molly Moore

Washington Post Service

WASHINGTON — Marine Lance Corporal Jason J. Rother was last seen three months ago on a dusty trail in the California desert, directing Marine convoys during a midnight training exercise.

When the 19-year-old did not report for duty the next morning, his commanders reportedly thought he had been reassigned to another detail. When another day passed, they reported him missing.

When a three-day search of the Mojave Desert training area turned up no sign of the infantryman, many officials suspected he had gone AWOL — absent without leave.

Now, the Marine Corps says that Corporal Rother, inexplicably, was forgotten in the desert by colleagues who were supposed to pick him up from the desolate trail where he and others had been directing the movement of thousands of troops. No one seemed to notice that he had been left behind.

Last Sunday, local sheriff's deputies

and volunteers, in a mock search-and-rescue drill near the Marine Corps' Twentynine Palms base, stumbled upon Corporal Rother's M-16 rifle, camouflage clothes, wallet and identification card. Several dozen yards away they found a jawbone. Scattered across the sand and rocks were other skeletal parts believed to be Corporal Rother's remains.

As a result, two of Corporal Rother's commanders have been stripped of their positions and Marine officials have ordered three other commanders to face courts-martial on charges of dereliction of duty, according to Marine officials.

The case prompted the Marine Corps commandant, General Alfred M. Gray Jr., to order an investigation of the incident.

Corporal Rother's family and some Marine officials have charged that the commanders' failure to report the infantryman missing for almost two days greatly reduced his chances of survival in terrain where daytime temperatures

soared to 120 degrees Fahrenheit (49 centigrade) and humidity levels were a dehydrating 4 percent.

"There was an obvious breakdown in the personnel reporting procedure," said

"There was an obvious breakdown in the personnel reporting procedure. Now, the question is, why?"

Colonel Fred Peck

A Marine Corps spokesman, Lieutenant Colonel Fred Peck. "Now, the question is, why?"

"It was a combination of goof-ups," said Corporal Rother's father, Jeff, in a

telephone interview from Cleveland. Mr. Rother said his son, who lived in Minneapolis, had been in the Marine Corps a year.

The elder Rother and Marine officials said that on the night of Aug. 30, Corporal Rother somehow was posted alone instead of in a two-man team, as required by Marine regulations. Corporal Rother's infantry unit from Camp Lejeune, North Carolina, was participating in a large-scale training exercise.

"Being missed in the pickup was not necessarily life-threatening in itself," Mr. Rother said. "But when the safety valve — the roll call for reporting people missing — when that failed, it put the cap on the tube. That was it."

The three-day manhunt, which began almost two days after Corporal Rother was left behind, turned up only his helmet, flak jacket, backpack and a crude arrow of stones he fashioned to point rescuers in the direction he walked for

The Marine Corps suspended the hunt over the rocky terrain after three days.

In early November, the Marine Corps searched again, finding two more crude directional arrows and a set of footprints about 4 miles (6.4 kilometers) from where the remains were found earlier this week.

Still, the search found no conclusive evidence of Corporal Rother's whereabouts.

When the San Bernardino County Sheriff's Department conducted a practice search exercise last weekend, some of its volunteers who had assisted in the previous Rother searches suggested using the case as the basis for a practice scenario.

Covering a much wider area, the search parties discovered Corporal Rother's possessions and what are believed to be his remains just off the base about a mile south of a major highway and 17 miles from where he had been posted.

"Park rangers said Superman himself couldn't have walked off base in those conditions," said Jeff Rother. "He damn near made it."

U.S. Lifted a Ban On Work at Home Despite Warnings

Washington Post Service

WASHINGTON — The Reagan administration lifted the 45-year ban on employees working at home despite warnings from Labor Department regulators that it would be almost impossible to enforce U.S. wage and hour laws in the five industries involved.

A memorandum prepared for the Labor Department concluded that on the basis of its experience trying to enforce wage and hour laws in the knitted outerwear industry, "we urge you to advise against going forward at this time with any final rule which is justified on the basis of satisfactory enforcement experience."

Labor Secretary Ann Dore McLaughlin announced early last month that the ban on homework in the industries was being lifted Jan. 9.

An estimated 75,000 workers are employed in the five industries: gloves and mittens, embroideries, buttons and buckles, handkerchiefs, and jewelry production that does not involve hazardous processes or substances. Federal regulators have prohibited work at home in the industries since 1942.

CONSTRUCTION BEGINS ON THE PARIS LIBERTY FLAME MONUMENT



All the necessary approvals from the Paris city authorities having now been obtained, construction of the Paris Liberty Flame Monument has started and will continue through the winter. The inauguration will take place in the spring of 1989.

The Flame will stand on the southwest corner of the Place de l'Alma, at the very beginning of the Avenue de New York (see map) — an excellent central location which means that this monument to Franco-American friendship will be seen every day by thousands of Parisians and visitors to the city.

The Paris Liberty Flame is the exact duplicate of the golden flame atop the outstretched arm of the Statue of Liberty in New York harbor. It was crafted in the United States by Les Metalliers Champenois, the same group of French artists who worked on the rehabilitation of the New York statue in 1986 using the same molds they created for that project.

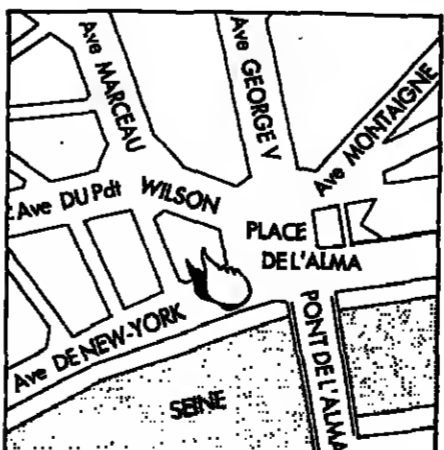
The monument perpetuates a tradition started over one hundred years ago, when over 100,000 French citizens contributed to the financing of the original Statue of Liberty. A few years later, a group of Americans then living in France gave as a gift to the French people the reduced-size replica of that Statue which today stands on the Ile aux Cygnes, just a mile downstream from the new Liberty Flame site.

Two years ago the International Herald Tribune decided to mark the conjunction of its centennial with that of the Statue of Liberty by sponsoring an international fund-raising appeal to bring the Liberty Flame to Paris. The appeal was launched at a reception given by U.S. Ambassador to France, Joe M. Rodgers, on October 4th, 1986 and was concluded a year later with a glittering benefit evening at the Palace of Versailles.

The fund-raising goal was reached, thanks to contributions from hundreds of individual donors, large and small. The International Herald Tribune wishes to express its heartfelt thanks to all these generous contributors.

Ever mindful of its own deep Paris roots and of the warm relations it has enjoyed for over a century with the people of France (including many of its own employees, readers and advertisers), the International Herald Tribune is proud to have taken the lead role in this undertaking.

In an age which is too often characterized by rapid swings in popular emotion on both sides of the Atlantic, the Liberty Flame project has helped, we believe, to reaffirm two truths which have stood the test of time: the fundamental value of Liberty in our way of life and government, and the enduring strength of Franco-American friendship.



New York State Says AIDS Cases Will Increase to 90,500 by 1994

By Bruce Lambert

New York Times Service

NEW YORK — New York State health officials have extended their AIDS projections to show an unbridled increase in cases and deaths for the next five years, which will require a huge expansion in services costing billions of dollars.

The state's cumulative AIDS caseload will increase from 20,000 now to 90,500 by the end of 1994, according to health department projections. During the same period, the death toll will rise sevenfold — from a cumulative total of 10,000 to 71,000.

The increase in fatalities is partly attributable to the belief that most current patients will have died by 1994, and to a rise in AIDS among intravenous drug users, most of whom die relatively quickly.

The state health commissioner, Dr. David Axelrod, disclosed the projections Tuesday at a conference of AIDS care specialists. He said that major expansions of health and social services were needed to meet "the extraordinary challenge."

From research programs to patient care, AIDS costs about \$1 billion a year in New York, and that figure is expected to rise several times over, Dr. Axelrod said.

City, state and federal governments each pay about a third of the total.

The new projections are about double the previous figures, issued early this year, which indicated 47,000 cases and 35,000 deaths through 1991.

The forecasts are based on extensions of current trends in diagnosed cases. State officials say that the method, also used by the federal Centers for Disease Control, has proven accurate.

National projections, which go through 1992, are for 365,000 cases and 263,000 deaths. The 90,500 cases now predicted for New York State by the end of

1994 exceed the nation's entire caseload to date. It stood at 79,823 as of Monday, according to the Centers for Disease Control. The projected statewide death toll of 71,000 by 1994 is far greater than the current national total of 44,826.

Dr. Axelrod said that the rising AIDS caseload would require 5,000 hospital beds, compared with about 1,800 now; 1,500 to 2,300 beds in nursing homes and related health centers, and home care for 15,000 more patients.

"In every area we're short of personnel," he said, adding that the system would need another 15,000 nurses, aides, therapists and paraprofessionals.

The discovery of a cure and vaccine could drastically alter the forecasts, the commissioner said, but he said he did not "see a silver bullet on the immediate horizon."

He added that AIDS would be "with us well into the 21st century."



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Vertical text on the left edge of the page, including 'lezevous', '192', '100', and 'ues in 1989'.

Herald Tribune

Gorbachev's Vision

Bold, Naive, Heroic

Perhaps not since Woodrow Wilson presented his Fourteen Points in 1918 or since Franklin Roosevelt and Winston Churchill promulgated the Atlantic Charter in 1941 has a world figure demonstrated the vision Mikhail Gorbachev displayed Wednesday at the United Nations.

Like the others, the Soviet leader called for the basic restructuring of international politics—for the rule of law, not force; for multilateralism, not unilateralism; and for economic as well as political freedoms. Like them, he used occasion and oratory to command the global stage. Unlike them, he promised to lead the way unilaterally, by reducing Soviet military forces and converting defense industries to peaceful uses.

When a Rival Attacks With an Olive Branch

By Robert E. Hunter

WASHINGTON—On Wednesday, the 47th anniversary of the attack on Pearl Harbor, America was again assaulted by a principal rival for power. This time it was a peace offensive launched by Mikhail Gorbachev, the Soviet leader.

Gorbachev has imposed his agenda on NATO and the incoming Bush administration. He has transformed debate in the West.

More to the point, major cuts will come in forces deployed in the western military districts of the Soviet Union and in Eastern Europe. In East Germany, Czechoslovakia and Hungary, that is six tank divisions—50,000 men and 5,000 tanks—

including units able to cross rivers, a major headache for Western security planners. Those forces will not just be withdrawn; they will be dismantled. And Mr. Gorbachev promised that Soviet forces remaining in Eastern Europe would be "reorganized." This has been a key Western requirement: to cut the Soviet capacity to attack.

The Challenges Ahead

Mikhail Gorbachev made a sensation Wednesday, and also a major security contribution, in announcing Soviet plans unilaterally to reduce, relocate and restructure certain Soviet military units in Eastern Europe, the European parts of the Soviet Union and Soviet Asia.

With the problems he has in his own country, Mr. Gorbachev wishes to trim the pace and cost of international confrontation in order to advance his internal perestroika, or restructuring, which entails reversing 70 years of stultification, self-decay and drift and daring to explore ways that promise the Soviet people a decent life.

Arafat: Still No Bold Leap

In a statement issued jointly in Stockholm with a delegation of Jewish American Jews, the Palestine Liberation Organization seems to have crept closer to accepting Israel's right to exist. Just how far the PLO has moved is hard to tell. But the statement appears to inch beyond the Palestine National Council's declaration issued after its meeting last month in Algiers.

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Now How About an East-West Corridor of Safety?

By Ralph Earle 2nd and Elliot Richardson

WASHINGTON—Mikhail Gorbachev's bold proposal to withdraw 50,000 troops and 5,000 tanks from three East European countries is a welcome step toward the goal of drastically reducing the risk of war in Europe.

forces in Central Europe. A month later, Wojciech Jaruzelski, the Polish leader, suggested the negotiation of a gradual withdrawal of battlefield nuclear weapons together with some conventional reductions, beginning with those weapons with "the greatest strength and strike precision, which could be used for a sudden attack."

Warsaw Pact could remain within the zone, but the most provocative weapons—tanks, armored personnel carriers, attack helicopters and artillery pieces larger than 120mm—would be withdrawn.

Don't Waste This Mideast Opportunity

By Ashraf Ghorbal

WASHINGTON—There are rare moments of history when opportunities occur to secure just solutions to intractable problems.



WASHINGTON—There are rare moments of history when opportunities occur to secure just solutions to intractable problems. Wisdom calls for grasping such opportunities. To miss them would be a crime, especially if a conflict has been long, bloody and agonizing.

Israel's negative reaction—accentuated by recent elections giving the edge to the Likud bloc of Yitzhak Shamir, which advocates annexation and not accommodation—renders an active U.S. role more urgent. Besides, the United States has continuously committed itself to the security of Israel, not to its expansion.

Other Comment

Gorbachev's Generosity

[Mikhail] Gorbachev deserves, because he carries it, a response of similar imagination and similar daring. He offers talks in Vienna with the magic extra ingredient: good will, a desire to succeed. The world, as it emerges from that experience, will not necessarily be a quieter or safer place.

The offer of a unilateral cut of 500,000 troops is at first glance wholly welcome. Yet since there was never any threat from the West in the first place, and because the Soviet Union enjoys a huge preponderance in many classes of weaponry, Mr. Gorbachev can afford to be generous.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairman

100, 75 AND 50 YEARS AGO

- 1888: History Swept Away PARIS—The pickaxes of the demagogues yesterday (Dec. 8) turned the first stone of the improvements that are to sweep away one of the most historical and picturesque spots in Paris.
- 1938: Noblesse Oblige NEW YORK—Prince Alexis Obolensky, president of the Russian Nobility Association, today (Dec. 8) announced his resignation from the exiled Czarist blue-blooded organization because some members objected to his playing the role of a Soviet Communist in the musical comedy "Leave It to Me."
- 1913: The Hat Menace NEW YORK—In New York, Chicago, Philadelphia and elsewhere a movement has been started to secure legislation prohibiting the "side-swiping" feather on women's hats.

The Master Is Not to Be Trusted

By William Safire

WASHINGTON—Mikhail Gorbachev understands this rule of political survival: Make what you must do appear to be what you want to do.

His economic reports this summer showed the Soviet Union's stagnation deepening, his perestroika faltering. With top-level support crumbling, he staged a September coup. In the name of democratization, he centralized government and party power in himself.

Even more shrewdly, he gave Europeans what they wanted most: a lightness of touch in security, which is a precondition to let them know that he is not a fanatic.

Let us be gracious about accepting what Gorbachev offers without reading into the concessions a fundamental change in the objectives of Soviet ideology or Russian nationalism.

Paris—The pickaxes of the demagogues yesterday (Dec. 8) turned the first stone of the improvements that are to sweep away one of the most historical and picturesque spots in Paris.

Reagan Is A Pardon

BOSTON—President Reagan has done few things as sharply as pardoning in his pardon made in the week-end. A pardon for the former defense secretary had become the nation's political night.

Opportunity to the East

By Stephen Kinzer New York Times Staff Writer

Nicaragua

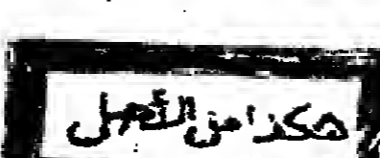
By Stephen Kinzer New York Times Staff Writer

Recall of ATR

PARIS—About 40 commuter airlines are likely to be affected by a decision to recall the French-made ATR-42 airliner for wing problems, a spokesman for the manufacturer said Thursday.

TRAFFIC: Low

PARIS—The date of Edinburgh, Prince Charles' wedding to Princess Diana, is among motorists who are faced with a prototype in cars.





NYSE Most Actives table with columns: Vol, High, Low, Last, Chg.

Market Sales table with columns: NYSE, AMEX, OTC, Volume, etc.

NYSE Index table with columns: High, Low, Close, Chg.

Thursday's NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns: Adv, Decl, Unch, New High, New Low.

NASDAQ Index table with columns: Composite, Industrial, Finance, etc.

AMEX Most Actives table with columns: Vol, High, Low, Last, Chg.

Dow Jones Bond Averages table with columns: Bonds, Utilities, Industrials.

NYSE Diary table with columns: Adv, Decl, Unch, New High, New Low.

Odd-Lot Trading in N.Y. table with columns: Buy, Sell, % of Total.

Dow Jones Averages table with columns: Industrials, Utilities, Finance, etc.

Standard & Poor's Index table with columns: Industrials, Utilities, Finance, etc.

NASDAQ Diary table with columns: Adv, Decl, Unch, New High, New Low.

AMEX Stock Index table with columns: High, Low, Close, Chg.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Large table of stock prices (A) with columns: 12 Month High, Low, Stock, Div, Yld, PE, etc.

Profit-Taking Depresses NYSE

NEW YORK — Stock prices closed lower Thursday in slow trading amid some profit taking following the market's rally earlier this week. The Dow Jones industrial average, which rose 42.7 points on Wednesday, fell 11.92 to close at 2,141.71. Declines led advances by nearly a 2-1 margin. Volume fell to 124.15 million shares from 148.36 million traded on Wednesday. Broad-market indexes also declined. The New York Stock Exchange index fell 0.77 to close at 155.37. Standard & Poor's 500-stock index fell 1.56 to 276.57. The price of an average share lost 16 cents. Analysts said a lack of news following the early departure of the Soviet leader, Mikhail S. Gorbachev, from the United States, led the market to focus on the weakness in the dollar and the bond market as well as interest rates and inflation. But despite the pullback in prices, they said the market held up relatively well amid profit taking following gains won earlier in the week. "It's amazing that after the rally we had there's not much weakness," said Don R. Hays, director of investment strategy at Wheat, First Securities in Richmond, Virginia. Mr. Hays said he saw the pullback coming when the market showed signs of running out of steam in the previous session. "The big move earlier this week enticed the market to a pullback," said Tom Gallagher, managing director in charge of capital commitment at Oppenheimer & Co. "The market is correcting itself."

Large table of stock prices (B) with columns: 12 Month High, Low, Stock, Div, Yld, PE, etc.

Large table of stock prices (C) with columns: 12 Month High, Low, Stock, Div, Yld, PE, etc.

PRO MONITORS FROM PHILIPS advertisement with image of a monitor and text: The clear advantage.

Large table of stock prices (D) with columns: 12 Month High, Low, Stock, Div, Yld, PE, etc.

In the wake of Mr. Gorbachev's announcement on Wednesday of plans to reduce the Soviet military presence in Eastern Europe, which sent financial markets higher, Mr. Gallagher said the market was due for a pause from its recent rally. He also noted that, early in the session, the market corrected itself with a rumor that suggested two nuclear reactors located in the Soviet republic of Armenia were possibly damaged when an earthquake rocked the area on Wednesday. Mr. Gallagher said market players watched to see what effect the rumor would have on commodities trading, because Armenia is a major producer of grain. Later in the day the rumor died when Soviet officials told the International Atomic Energy Agency in Vienna that the reactors were not damaged. AT&T was the most active issue, unchanged at 29 1/4. AT&T and US Sprint Communications Wednesday were awarded multibillion-dollar federal contracts to build the U.S. government's new digital phone system. RIR Nabisco followed, off 1/4 to 89 1/2. Texaco was third, off 1/4 to 51. Texaco refused comment on rumors that Carl C. Icahn, chairman of Trans World Airline, was enlarging his 15 percent stake in the company in preparation for a second proxy battle for control of Texaco following his defeat this spring. Among blue chips, IBM fell 1/4 to 119 1/4. American Express fell 1/4 to 27 1/4. General Motors fell 1/4 to 86. Procter & Gamble fell 1/4 to 93 1/4 and Philip Morris rose 1/4 to 98 1/4.

Large table of stock prices (E) with columns: 12 Month High, Low, Stock, Div, Yld, PE, etc.

Large table of stock prices (F) with columns: 12 Month High, Low, Stock, Div, Yld, PE, etc.

Large table of stock prices (G) with columns: 12 Month High, Low, Stock, Div, Yld, PE, etc.

Financial advertisements including 'Curt' and 'Inte' with various financial data and contact information.



# WEEKEND

International Herald Tribune

- Black Renaissance
- Recalling a Master
- Arts Calendar



Dominique Issermann's photo above was done for Sonia Rykiel in 1983 and Norman Parkinson showed the designer Go Mattli surrounded by his mannequins in 1953.



## Capturing Fashion in The Lens

### Show Explores Ties That Link Designers And Photographers

by Suzy Menkes

**P**ARIS — When is a fashion photograph more than an image of clothes frozen in a landscape? A great fashion picture has a resonance beyond its central focus. Cecil Beaton's famous portrait of salon ladies in Charles James evening dresses evokes the swish of taffeta, the sound of discreet chatter and an evening of pampered elegance from which this one photographic moment was apparently distilled.

The ability to suggest a life beyond the frame and emotion beneath the glossy surface marks out a lasting fashion image. Photographs may also project a sexual charge or suggest a surreal disjoint of time and place that can be quite disturbing.

A current exhibition at the Musée des Arts Décoratifs explores the relationship between fashion designers and their image makers. "Créateurs de Mode, Créateurs d'Images" illustrates the direct rapport between a creator who chooses a photographer as an accomplice in style, such as Dominique Issermann's work with Sonia Rykiel or the romantic, artistic pictures that the painter Javier Vallbona has assembled with the Spanish designer Sybilla.

Other photographs have been chosen by designers as the images that best captured their original intentions. In these we see relationships forged by chance or by the wise choice of the intermediary fashion editor. It is an opportunity to discover how designers see themselves and there are some real surprises: Yves Saint Laurent's selection of Helmut Newton's photographs, which emphasize the strictness and rigor of tuxedo outfits or give a décolleté evening dress a raw, even vulgar, sexuality.

**B**ECAUSE photographers and designers do not always see lens to eye, the exhibition shows the work of Henry Mager, Jean-Paul Gauthier, and more recently Karl Lagerfeld, fashion creators who have taken up the camera. Other themes in the show are portraits of designers from an indomitable Madame Gres (by Frank Horvat) to Issey Miyake (in a dramatic study by Irving Penn), to Christian Lacroix playing toreador to a couture toile (Brigitte Bordes). There are also commercial campaigns for various images of marjane, and a Chanel suit photographed in a series of obscure experimental pictures.

The exhibition has no historical depth or chronological development, but it nevertheless contains provocative and haunting images that tell us as much about

Continued on page 10

## CRITICS' CHOICE

### BERLIN

#### Art From the New World

Reverence before nature and a taste for the wildness of the frontier are among the hallmarks of the 18th and 19th century American paintings in "Pictures From the New World," at the Schloss Charlottenburg (Grosse Orangierie, until Feb. 5). The collection of Baron Hans Heinrich Thyssen-Bornemisza and public and private U.S. collections have contributed to the show, which ranges from frontier scenes to portraits of Eastern society. Among artists represented are George Caleb Bingham, John Singleton Copley, Thomas Cole, Thomas Eakins, Mary Cassatt, Winslow Homer, Sargent and Whistler. The show moves to the Zurich Kunsthaus March 3-May 15.

### LONDON

#### Lawrence Centenary

Archaeologist and guerrilla leader, man of letters and rank-and-file soldier, the many guises of T.E. Lawrence, Lawrence of Arabia, are illustrated in an exhibition on the centenary of his birth, at the National Portrait Gallery until March 12. Included are original illustrations from "The Seven Pillars of Wisdom," his Arab robes, photographs, and one of his motorcycles. Also included are portraits of Lawrence and landscape paintings by David Bomberg and others from Lawrence's desert period.

#### Nuria Espert and Opera

The Royal Opera is presenting two opera productions by the Spanish actress and director Nuria Espert. One is a new production of Verdi's "Rigoletto," which will have eight performances through Jan. 4. Michael Boder conducts, and Brent Ellis sings the title role with Jane Anderson and Neil Shiofui as Gilda and the Duke. Puccini's "Madama Butterfly," in the staging originally done for the Scottish Opera, will have several performances beginning Jan. 23 with Yoko Watanabe in the title role and Mark Ermler conducting. Ezio Frigerio and Franca Squarciapino designed the sets and costumes for both works.

### UNITED STATES

#### Chinese Masterworks to Tour

An exhibition of 76 ancient and modern Chinese masterworks from Beijing's Forbidden City will tour five U.S. museums from January through October to celebrate the 10th anniversary of the resumption of U.S.-Chinese relations. Only five of the paintings have ever been outside China and none has been seen in the United States. The exhibition, entitled "Masterworks of Ming and Qing Painting From the Forbidden City," includes hand scrolls, album leaves and hanging scrolls that have been housed in the walled inner city. The exhibition will visit the Honolulu Academy of Arts, the High Museum in Atlanta, the Cleveland Museum, the Minneapolis Museum and Metropolitan Museum of Art in New York. (NYT)

### LAUSANNE

#### Art From Belgian Museums

Nine paintings the Nazis once condemned are among 100 works from museums in Liège, Belgium, at the Fondation de l'Hermitage until March 12. Works of Gauguin, Chagall, Franz Marc, Kokoschka and Picasso were classified as degenerate and removed from German museums. The choicest were auctioned in Lucerne in June 1939. Belgian collectors acting for the Liège museums paid a relatively low 126,040 Swiss francs for the nine, 50,000 of it for a Gauguin. The paintings were kept hidden in crates until the end of the German occupation. Apart from these works, the Musée d'Art Moderne and the Musée d'Art Wallon of Liège have sent works that retrace a century of art from 1860 to 1960, from Corot and Eugène Boudin through modern art movements up to the Cobra group. Among the Belgian artists represented are Paul Delvaux, René Magritte, James Ensor, Alfred Stevens, the pointillist Theodore van Rysselberghe and the Fauvist Rik Wouters. (Mavis Guinand)

### VIENNA

#### "Prague 1600" in Vienna

The vast exhibition at the Kunsthistorisches Museum, "Prague 1600: At the Court of Rudolf II," has added some 300 art objects to supplement the 500 already seen when the show was in Essen, West Germany. Among the new items are a rare portrait of the emperor at the age of 3, from a U.S. collector, several works by the Dutch court sculptor Adriaen de Vries, and a bronze relief, "Rudolf II as Patron of the Arts," from Queen Elizabeth II's Windsor Castle collection. (Alan Levy)

## The All-Encompassing View of 'Panoramania!'

by Claire Frankel

**L**ONDON — A band of landscape painted directly on the wall at eye level runs around the large darkened room. Hanging a bit away from one wall, a sizable empty gilt frame is suspended from the ceiling. A spotlight dramatically hits the landscape area caught within the frame. It frames the point beautifully: Traditional academic art restricts our vision while an enveloping panorama opens a 360-degree field of excitement. This is the introduction to the Barbican Art Gallery's intriguing show "Panoramania!" which will run until Jan. 15.

The tongue-twisting title comes from an article in the 1850 Illustrated London News written by Albert Smith who

owned and presented panoramas in Piccadilly. Coining words was part of the fun — they were called jawbreakers — and, to hold the customers' attention, the presenter had to be amusing and instructive during the show.

The story begins 200 years ago. Robert Barker, an Irish painter living in Edinburgh, devised the idea of painting his adopted city in the round so that spectators standing on a centrally placed platform would be surrounded by the scene. "Unlimiting the bounds of painting," he called it. Barker was on to a fascinating approach to art and entertainment. He took out a 14-year patent in 1787 and between 1793 when his permanent rotunda opened in London's Leicester Square and its demise 70 years later, 126 panoramas — a catchy name coined by Barker — were shown. By 1800 London panora-

mas had been seen in New York and Paris. Rotundas sprang up as far away as Russia and Japan.

The central feature of the Barbican exhibition is a spectacular, almost full-scale reconstruction of Barker's "Panorama of London as Seen from the Albion Mills." The spectator, standing on the wooden plank flooring of the "mill" with its heavy ropes thrown over a darkly stained wooden ledge, is staggered by the all-embracing views. I reacted like the 18th-century viewers who took out binoculars or buttoned their coats against an imagined wind. Queen Victoria is said to have gotten seasick when she saw "The Russian Fleet at Spithead," John Ruskin admitted that his view of Milan was affected by having seen it in a panorama. Gerry Hicks, head of the scenery painters responsible for translating Bark-

er's panorama, faced some of the same problems as his 18th-century progenitor. "But Barker did all the donkey work," says Hicks. "Nowadays, if we wanted to do a cyclorama, we'd send someone to take 100 photos and we'd work from them."

Barker had to spend years drawing the cityscape, building up a grid, then converting it to an engraving that would open out to 12 feet (3 meters) or more, also used as a take-home brochure. Hicks and his team worked from Barker's colored aquatints, scaling them up to the two finished semi-circles each 48-feet long with a 12-foot drop. The panorama is, like the original, a superior mix of accuracy and illusion, the reason that Constable dismissed it as art: "Because its object is deception." References to actual places in the old aquatints, also

Continued on page 10



### The Elusive Art of Man Ray

Man Ray was a photographer, a painter, a driver of fast cars, a scavenger, a sculptor, a filmmaker and more. Here, from the current show in Washington, are "Venus restaurée," a self-portrait with cross hairs and the trial cover of a book of photographs. Details, page 10.



The fashion plate from the Regent's Park Colosseum.

# Panoramania

Continued from page 9

popular, panoramas were not collected for posterity since they were not considered "art." Another deterrent was the size of the rolled canvases — the longest known was three miles. Touring and repainting also took their toll. All the more exciting then that such a quantity has been assembled.

Conserved for the exhibition, the 360-degree "Battle of Trafalgar" (circa 1830) is being seen for the first time this century. A high tent has been erected to house the glass-fronted watercolor panorama and the interior area is suitably dark, one of Barker's patented ideas that enhances the illusion. In a 15-foot circle, the heroic story evolves from turbulent seas, finishing with Nelson lying shot on the quarter deck of the "Victory." Hyde comments that "panoramas were the Fathe News of their time," using good battle painters who create excitement, giving details with advice from on-the-spot military personnel.

One of the most fascinating stories to emerge from the exhibition is that of a Quaker land surveyor and artist named Thomas Hornor who was full of ideas, courage and alcohol. In 1820 he decided he would try his

hand at drawing a London panorama. Hornor installed himself on a platform over some wooden scaffolding 375 feet up — on top of the dome of St. Paul's. His cabin/studio had in it a table, chair, and graphic telescopes and it was rumored that it also accommodated a lady. This fragile crew's nest perched on the dome has been re-created in a 12-foot model. Looking at it inspires the tantalizing vision of Hornor staggering up the 616 stairs and four external ladders at 3 A.M. to begin sketching on his rotary frame.

His 280 drawings, reproduced on painted canvas, were a huge — in every sense — success. The immense, circular Regent's Park Colosseum, especially designed by Decimus Burton, held the 24,000-square-foot (about 2,500 square meters) creation. Near the model hangs a print of the Colosseum, so called because of its size. Poor Hornor enjoyed his success for only a short time. London was a changing landscape and his view was soon outdated. By the time the Colosseum was pulled down in 1875, "The Largest Iron Structure in the World," pretty much an iron copy of Burton's brick and stucco one, had gone up in New York at Broadway and 35th Street. Its director was P.T. Barnum.

An interesting mix of hundreds of drawings, objects and happenings lured me easily through the nine exhibition areas. In one of them, a moving panorama of Venice places the viewer as if on a boat gliding past the Dogano, the Lido and the Bridge of Sighs while strains of Rossini's "William Tell Overture" enter the imaginary gondola. Three walls of another room hold an original 120-foot-long panorama of "London to Hong Kong in Two Hours," painted for a Victorian family's Christmas entertainment.

Technology and the cinema proved the downfall of Panoramania. Paradoxically, it is in the high-tech space age that interest is reviving. (Just now, a 200-foot panorama of the city of Bath by Roger Hallet is on view in a specially-designed rotunda at the Thames Barrier in London — the first produced in Britain for 75 years.) The Barbican exhibition finishes on a high of photographic panoramas from London, New York, Hong Kong and Red Square, not to mention Mars and the moon.

This ambitious and scintillating show succeeds in the chairman Lord Montagu's expectations of "bringing a far greater understanding of a neglected aspect of our artistic heritage."

# The Elusive Art of Man Ray

by Paul Richard

WASHINGTON — You might start with his name. It is, one must admit, not entirely believable. But its aura is just right. Its cockiness, its menace, its intentional elusiveness shine around Man Ray's art.

He was a photographer of many sorts, a painter, a designer, an often-envied lover, a driver of fast cars, a scavenger, a sculptor, a filmmaker and more. He is not an easy man to place. Merry Foresta — who spent eight years arranging the fine Man Ray exhibit on view at the National Museum of American Art — says "his art slid back and forth."

He used the camera more freely than any artist had before. His portraits, Rayographs and fashion shots mapped the spirit of his time. His objects gave material form to a dozen unforgettable visual ideas. Man Ray, who died at 86 in 1976, was the most important Dadaist the United States has produced.

"Perpetual Motif: The Art of Man Ray" — which includes 268 pieces — is the best modernist exhibit the Museum of American Art has offered us in years. Intimate, enormous, nimble and mysterious, it is as sexy (and as sexist) as was Man Ray himself.

Born in Philadelphia, Emmanuel Radnitsky (his Russian parents called him Manny) grew up in a tailor's shop in Brooklyn. He was playful from the start. At his high school graduation he wore a bright red shirt. Before he had turned 20, he was hanging out at Alfred Stieglitz's gallery. "I thought of myself as a Thoreau," he wrote, "breaking free of all ties and duties to society." He took life drawing, so he said, because he "wanted to see a nude woman." A Dadaist by instinct, he was unafraid of silliness and of modern art. He drew copulating cockroaches in a vaguely Cubist style ("with apologies to Picasso") for the cover of his magazine, the high-spirited, sophisticated, Ridgely Gazette.

Marcel Duchamp changed his life. He first met the French celebrity (whose "Nude Descending a Staircase" had been the scandal of the Armory Show in New York in 1913) in the fall of 1915. Duchamp spoke no English. Man Ray spoke no French, but it didn't matter. They shared the language of their wit. They spent that afternoon playing Dada tennis, dispensing with the net.

Duchamp brought Man Ray to France and to an unfamiliar sort of pure cerebral art. Duchamp, said the Surrealist André Breton, possessed "elegance in its most fatal quality, that went beyond elegance, a truly supreme ease."

Man Ray arrived in Paris in 1921. He still spoke little French, but his humor was infectious, his connections were impeccable (he was introduced around by Duchamp), and his Dadaist credentials were already in good order. Before the year was out, he was a fixture on the scene.

"Man Ray," wrote the poet André Thirion, "had an important position in Montparnasse because of his inexhaustible inventiveness, his friendliness, and the new use he made of the camera. He dazzled us all with his cars. And the girls he went out with were beautiful."

You cannot see the portraits of the women he attracted without wondering how he did it. They were more than just good-looking; they were exceptionally clever, accomplished and original. Berenice Abbott (the photographer); Kiki of Montparnasse (the famous and free-living gamine of the neighborhood so much admired by Ernest Hemingway and Soutine and Utrillo); Meret Oppenheim, the artist (whose fur-lined teacup is an icon of the period); Lee Miller, the photographer; and Juliet Man Ray, the dark-eyed dancer he married.



"Self-Portrait with Chess Set," a print made in 1921.

When, in 1920, he tied a rug around a sewing machine, and photographed the result, Man Ray stamped his name on art-as-wrapping: the artist known as Christo was responsible for "breaking the stranglehold of reality on fashion photography." Man Ray's lensless photographs, the pictures known as Rayographs, which he began producing 60 years ago — with magnets, combs, keys and toy revolvers placed upon the paper — in many ways predicted the free "appropriations" of '80s New York art.

Man Ray somehow made the camera an artist's instrument as flexible as the paintbrush or the pencil. One sees that most impressively in his extraordinary portraits. He photographed Picasso, T.S. Eliot, Matisse, Wallis Simpson, Tristan Tzara, Erik Satie, James Joyce, Cocteau, the corpse of Proust, Dalí, Brancusi, Gertrude Stein and the Maharajah of Indore. "To be done by Man Ray," said the publisher Sylvia Beach, "meant that you rated as somebody."

And yet he somehow lost his faith in the medium he had mastered. Man Ray late in life reneged upon photography. "Show NO photographs," he ruled in 1956. "Eliminate all Rayographs. . . . Otherwise there is confusion if not downright devaluation of the paintings." Though his life's work denied it, Man Ray wrote an essay called "Photography Is Not Art."

Even sadder is the painful, but inevitable comparison of Man Ray with Duchamp.

Duchamp, in 1905, made a drawing for his last work, a piece completed finally in 1966. The Frenchman somehow managed, by intellect, or force of will, or prophecy, or magic, to link his art together in a kind of crystal lattice, so that nothing's out of place.

Man Ray's exhibition lacks that sense of wholeness. It's true that certain themes recur — the tailor's pattern cutout, the double/or the shadow, the retrieval of old memories, and the woman seen as object, cut apart or bound — but they do so on the fringes. Man Ray, the American, did not long for perfect order, he kept breaking through new boundaries and scattering his art.

THAT he hoped to hit it right is made apparent by the frontispiece he made for his 1963 autobiography, "Self-Portrait." He put cross hairs through his pupils. They are aimed, writes Roger Shattuck in the catalogue, "to catch him precisely between the eyes." "I am, the image says, a camera-hunter-captive-model-eye-target-prey-witness-hunter-artist come out of America to explore the no-man's land between art and photography. Nothing could be more candid than my self-portrait. Nothing could be more perverse than some of my works."

"Man Ray: An American Artist," Neil Baldwin's workmanlike biography, has just hit the bookstores in the United States. "Perpetual Motif: The Art of Man Ray" will travel to Los Angeles, Houston and Philadelphia (for the centenary of his birth) after closing at the National Museum of American Art on Feb. 20.

© 1988 The Washington Post

THOUGH Man Ray's early objects — say, "The Rope Dancer Accompanies Herself With Her Shadows" (1916) or "New York 1917" or "Seguidilla" (1919) — have an easy, clean-lined elegance, his late pictures, truth be told, are not really all that great. Nor are his late objects. But that doesn't seem to matter. What makes this show exciting is its range, its freedom, and the unexpected ways in which he sensed what was to come.

# Fashion Photography

Continued from page 9

attitudes to women as to fashion.

When Dominique Issermann captures Sonia Rykiel and her models on a moving train, we glimpse not just a view from the railroad, but a moment of female complicity and tenderness among the sweaters. There is not a fig leaf of fashion in Paolo Rovani's delicate, soft-focus nude for a Romeo Gigli invitation, yet the photographer manages to convey Gigli's vision of fragile femininity. Another Issermann photograph of a lineup of dummy mannequins for Dior is evocative of haute couture. And Nick Knight photographed in 1987

a series of Yohji Yamamoto clothes in black silhouette, like Victorian shadow figures. These spare profiles of line capture the essence of the Japanese designer's clothes more successfully than in photographs where every stitch shows up.

Modern photographers also have tales to tell. Latter-day "Jules et Jim" roles are played out in an elegant dinner party trio photographed by Bruce Weber for Ralph Lauren, and again in Pamela Hanson's enigmatic and androgynous portrait for Joseph Tricot — two pretty boys with sultry lips and

limpid eyes, sharing a look-alike girl and a bottle of champagne.

The exhibition — held in the long balcony space beside the fashion museum — opens with a surreal photograph of a white bird spreading its curving wings around the neck of a Rochas evening dress. It was photographed by Harry Meier in 1954 and vividly recalls the recent Breque bird images from Yves Saint Laurent (a comparison this exhibition might have picked up). It proves that there is not much new under the Nikon.

The images of the 1950s — Tom Kublin's 1958 Givenchy suit with its texture of bouclé tweed set against glossy lips or Willy Maywald's S-shaped model in a Jacques Fath dress — seem to capture a stylized elegance that sets a standard for fashion photography.

The most interesting contemporary pictures are those that express the theme of the show: the collaborations of designer and photographer. Deborah Turbeville photographed Ungaro dresses in 1987 as *Déjeuner sur l'herbe*, with a round of naked model languidly grouped among the ruffled dresses. The richness of color (among photographs that are mainly in black and white) and the gilt and marble setting express Ungaro's baroque sensuality. In different mode, Ferdinando Scianna makes a moving statement about age and beauty in a series of photographs taken in Sicily for Dolce Gabanna, in which a stoic peasant face is framed in a window behind the model.

The faces of the creators make revealing portraits — especially when Jeanloup Sieff uses an identical draped pedestal and cloth and comes up with a mannered study of Karl Lagerfeld, a graceful Paloma Picasso and a charming and accessible Hubert de Givenchy. The best designer pictures are the early ones, when Norman Parkinson, always generous to his subjects, photo-

graphed the designer Go Mattli cross-legged and boyish at the feet of his haughty 1950s mannequins, and when the incomparable Cecil Beaton pictured Charles James and lap dog as a bystander to the romantic ballgown he had brought to life.

The exhibition does not make a distinction between pictures that set out to create an image or an aura, and those which are required to sell. Most of the images de *marque* are quite forgettable, except for advertisements for shoes, in which Guy Bourdin for Charles Jourdan and Issermann for Maud Frizon both express the fetishism in fashion footwear.

And what do designers create in their own images? Karl Lagerfeld's aristocratic soap operas of style, in which house guests pose in his designs, lack a twist of wit or the surreal. They look what they are: fashion models acting up. Jean-Paul Gaultier insists that he is not a photographer, yet his photographic collages — a face in close-up with cigarette clamped between red lips and low-life scenes behind — capture precisely the louche, androgynous, Paris-Figalle world of Gaultier's clothes.

The fashion designer with a vision is Thierry Mugler, whose newly published book of photographs is complemented by a small Paris exhibition of large prints. Blue sky is stretched behind architectural buildings, with one tiny figure or a group peered on the outer edge of a void. The images — photographically and emotionally — are hard, sharp and uncompromising, and a fine example of a fashion self-portrait.

*Créateurs de Mode, Créateurs d'Images, in association with Camera International at the Musée des Arts Décoratifs, 109 Rue de Rivoli, 75001 Paris until Dec. 31. Closed Monday and Tuesday. Thierry Mugler, Espace Canon, 117 Rue Saint-Martin until Jan. 10.*

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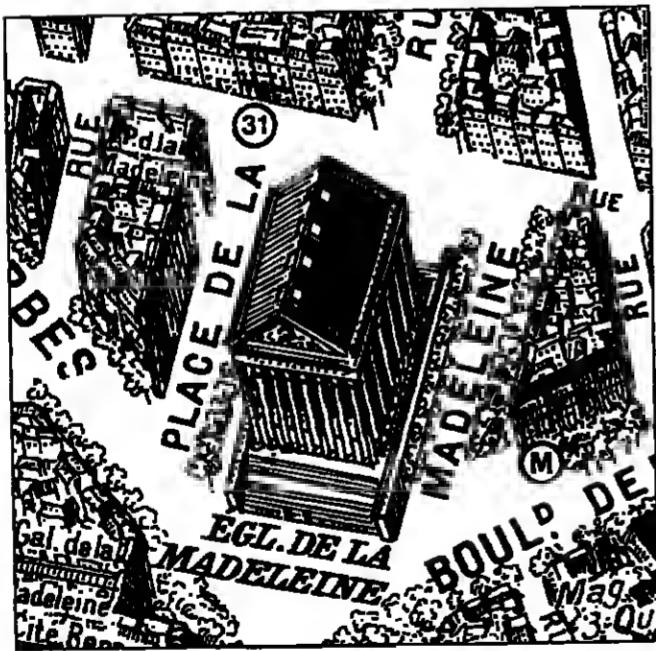
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Au numéro 31. Depuis 1988.



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WEEKEND

The Lasting Legacy Of Stanislavsky

by Thomas Quinn Curtiss

PARIS—Among the recent events at the Centre Pompidou to mark the 90th anniversary of the Moscow Art Theatre...

Norris Houghton, the Broadway and off-Broadway director, who visited the Soviet Union in 1934-35 to gather data on the Russian theater for his book "Moscow Rehearsals..."

USAN Strasberg talked of her father, Lee Strasberg, and read from his autobiography, "A Dream of Passion..."

ROBERT Lewis who, after acting in the Group Theatre and playing Oriental heroes in the movies, emerged as a blue-ribbon director with his production of William Sarsoury's "My Heart in the Highlands..."

Stella Adler, now 80, flew from California to recount her meeting with Stanislavsky in Paris in 1934...

The '80s Black Renaissance in Brooklyn

by E.R. Shipp

NEW YORK—When the saxophonist Steve Coleman performs this week with M-BASE, a 16-member avant-garde jazz collective...

On any given day in Fort Greene, Lee, the wunderkind of black filmmakers, may be peddling his bicycle over to the jazz saxophonist Branford Marsalis's house to discuss their latest projects...

In the last several years, Fort Greene, a predominantly black, mostly middle-income neighborhood near downtown Brooklyn, has become a magnet for black artists...

While the artists struggle with this question in different ways, they do share common concerns. Without glossing over the historical oppression of black people in America...

Musicians such as Marsalis and Coleman, both in their early 30s, pay homage to Charlie Parker, who transformed jazz in the 40s and '50s with the creation of bebop...

There is a certain militancy about these artists, reflected mainly in their views on race, their commitment to preserving the best of the past, and their refusal to dilute their art for an audience that is not black...

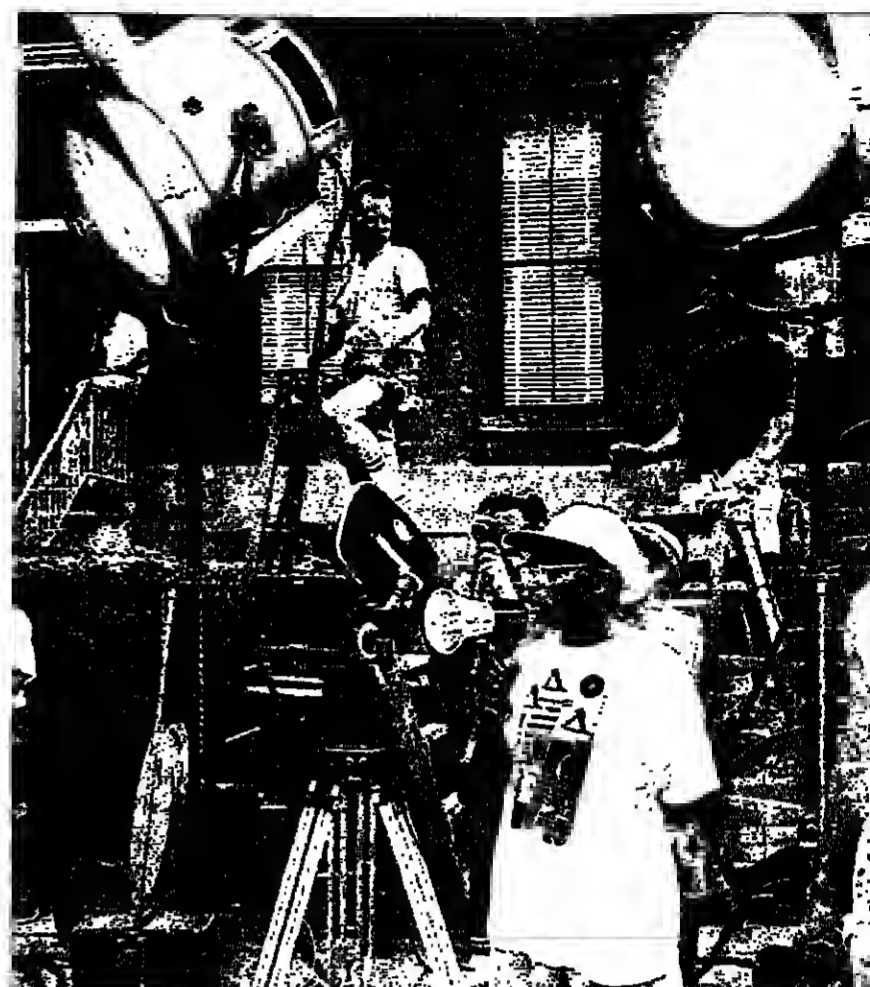
LEE'S first feature-length film, "She's Gotta Have It," which was set in Fort Greene, was a turning point for both the neighborhood and for Fort Greene's younger generation of creative artists...

"She's Gotta Have It" took place in a black neighborhood, it was about black people and it was from a black perspective...

There was also a different political climate in the Harlem of the '20s. According to Arnold Rampersad, the author of a biography of Langston Hughes, "During the Harlem Renaissance there was a pressure from the older people and from political leaders..."

Today, continued Rampersad, "there seems to be no political authority that I recognize operating on these young artists except a strong and yet still vague emphasis upon the legacy of Malcolm X. That has been transmitted into their work and into their lives..."

The artistic activity in Fort Greene has invited comparisons to the Harlem Renaissance of the 1920s, when many black writers gained recognition. But many of Fort Greene's younger crowd have only a vague idea of what the Harlem Renaissance was all about...



Spike Lee on the set of his new film "Do the Right Thing."

INTERNATIONAL ARTS GUIDE

AUSTRIA

Vienna Künstlerhaus (tel: 587.96.63). To Feb. 26: Gold of the Scythians: 170 objects, half of which are in gold, from the Hermitage Museum in Leningrad...

BELGIUM

Antwerp Rubenshuis (tel: 232.01.03). To Jan. 15: Two hundred examples of 17th and 18th century silver from Antwerp...

DENMARK

Humblebaek Louisiana Museum (tel: 02.19.07.19). To Jan. 15: Some of Picasso's last works, from the years 1960 to 1972...

ENGLAND

London Dulwich Picture Gallery (tel: 683.80.00). To Dec. 30: Portraits of the Linley family by Thomas Gainsborough...

GERMANY

East Berlin Altes Museum (tel: 2.20.03.81). To Dec. 30: The World of the Etruscans: some 1,200 objects gathered from East European collections...

NETHERLANDS

Amsterdam Museum het Rembrandthuis (tel: 24.94.86). Drawings and prints by Jan Lievens (1607-1674), contemporary and collaborator of Rembrandt...

FRANCE

Paris Centre Georges Pompidou (tel: 42.77.12.33). To Mar. 27: Jean Tinguely: a retrospective of the Swiss artist's work of the past 30 years...

ITALY

Florence Galleria degli Uffizi (tel: 21.83.41). To Dec. 15: German drawings of the 15th to the 19th century from the museum's collection...

JAPAN

Tokyo The National Museum of Western Art (tel: 828.51.31). To Dec. 11: More than 300 works showing the Japanese influence in modern Western art...

WEST GERMANY

Berlin Martin-Gropius-Bau (tel: 254.86.302). To Jan. 8: Stages of Modern Art: a retrospective of German avant garde art, 1910-1969...

SPAIN

Madrid Palacio de Velazquez. To Jan. 20: The reign of Charles III, 1759 to 1788, is explored in over 700 exhibits...

UNITED STATES

Washington National Gallery (tel: 737.42.15). To Jan. 23: "The Shaping of Dalmyo Culture, 1185 to 1868..."

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Stanislavsky's direction made a strong impression on the young American actor... (Continuation of the Stanislavsky article)

Thursdays NYSE Closing table with columns for stock symbols, prices, and changes. Includes a note: "Tables include the following prices as they close on Wall Street and do not reflect late trades elsewhere."

12 Month High/Low Stock table with columns for stock symbols, 12-month high/low prices, and volume. Includes a note: "Tables include the following prices as they close on Wall Street and do not reflect late trades elsewhere."

U.S. Futures table with columns for contract names (Grains, Food, Metals, etc.), prices, and changes. Includes a note: "Via The Associated Press."

Currency Options table with columns for contract names (Philadelphia Exchange, etc.), prices, and changes. Includes a note: "Via The Associated Press."

Stock Indexes table with columns for index names (S&P 500, NYSE, etc.), values, and changes. Includes a note: "Via The Associated Press."

Commodity Indexes table with columns for commodity names (Wheat, Soybeans, etc.), prices, and changes. Includes a note: "Via The Associated Press."

Section header: "TW Asks Stockholders To Reject Coniston Bid". Sub-header: "The Associated Press".

NEW YORK — TW Services Inc. recommended again Thursday that its stockholders reject a \$1.4 billion takeover offer by Coniston Partners, calling the bid for the food services company too low.

TW Services also urged shareholders to withdraw any shares already tendered in the bid, which Coniston has amended to \$29 a share in cash for the 81 percent of the company it does not already own.

Market Guide table with columns for market names (Chicago Board of Trade, etc.) and prices.

London Metals table with columns for metal names (Aluminum, Copper, etc.), prices, and changes.

Paris Commodities table with columns for commodity names (Sugar, Cocoa, etc.), prices, and changes.

Dividends table with columns for company names (Aloka AP Group, etc.), dividend amounts, and dates.

Spot Commodities table with columns for commodity names (Zinc, Tin, etc.), prices, and changes.

Company Results table with columns for company names (Moody's, etc.), revenue, and earnings.

Interest Rates table with columns for rate names (1 Year, etc.) and rates.

Company Results table with columns for company names (Heinz H.J., etc.), revenue, and earnings.

Advertisement for "Analysts Say Freddie's Gotten Ahead" by Michael Q. A large article on the right side of the page discussing Freddie Mac's financial performance and market position.



FRIDAY, DECEMBER 9, 1988

WALL STREET WATCH

Analysts Say Freddie Mac Has Gotten Ahead of Itself

By MICHAEL QUINT

New York Times Service

NEW YORK — After years of selling mortgage-backed securities to investors in the bond market, the Federal Home Loan Mortgage Corp., known as Freddie Mac, is now busy selling the virtues of its preferred stock to equity investors.

Since legislation was introduced in June to allow Freddie Mac stock to be held by investors other than savings and loan institutions, the preferred stock has more than tripled in value.

Unfortunately for most investors, the increase occurred long before the stock was generally available.

The old preferred stock — before conversion to a new issue and a 4-for-1 share split — was trading around \$180 this week, up from about \$60 in early June, when Congress began considering the ownership change.

Although the new preferred will not be issued until the beginning of the year, trading has already started on the New York Stock Exchange. On Thursday, it closed at \$47.875 a share.

Its recent price levels have been high enough that even analysts who recently wrote glowing reports about the company warned that the stock might have risen too far too fast.

Wednesday's closing price was high enough that even analysts who recently wrote glowing reports about the company warned that the stock might have risen too far too fast.

At Goldman, Sachs & Co., which issued research reports in September and October praising the business strategy and earnings prospects of Freddie Mac, analysts are not as enamored of its stock at its current price.

The company's prospects are as good as ever, said Edward S. also Jr., a Goldman analyst, "but the stock has gotten a little ahead of itself and at this point is not a buy." He said Goldman is recommending purchase at prices in the low 40s.

Eric I. Hemel, an analyst at the First Boston Corp., rates Freddie Mac stock as neutral. "We are attracted by the company's lack of interest rate risk and the underlying growth of the mortgage securities market," he said.

BUT HE ADDED that Freddie Mac's earnings growth might be hampered if it was required to reduce the guarantee fees it collected in the mortgage securities business to compete with its rival, the Federal National Mortgage Association.

Both Freddie Mac and Fannie Mae are in the business of acquiring home mortgages, repackaging them as securities, and selling the securities to such institutional investors as pension funds, banks and mutual funds.

Because both are chartered by the federal government, they benefit from the perception in the credit market that neither should be allowed to default on its securities, even though there is no explicit U.S. guarantee.

A primary difference between the two companies is that Fannie Mae owns more than \$100 billion of mortgages that it has not packaged and sold as securities, compared with only about \$15 billion held by Freddie Mac.

Analysts do not expect the packaging of mortgages as securities to grow as rapidly in the future as it did in 1986 and 1987. But they do see annual growth in the residential mortgage market ranging about 7 percent annually, as well as various niches in markets for multifamily housing and adjustable-rate mortgages where there is ample room for Freddie Mac to expand its operations.

France Shifts on 'Cores'

Socialists Target Protected Shares

Agence France-Press

PARIS — The Socialist government of France plans to introduce a bill that would effectively break up the controversial "hard cores" of shareholders in French companies that were privatized by the Conservatives from 1986 to 1988.

The Socialists, who returned to power in May, have charged that their Conservative predecessors secured large stakes of privatized companies for political allies through cores of shareholders.

Under the hard-core system, shareholders cannot sell their shares for two years and must get board approval to sell their stakes in the following three years.

Finance Minister Pierre Bérégovoy said Thursday he would introduce a bill that, if signed into law, would give hard-core shareholders the ability "to dispose freely of their shares."

He said he would also "propose invalidating secret pacts" between certain core shareholders.

Under the bill introduced by Mr. Bérégovoy, the obligation to hold shares for two years would remain, as a precaution to protect key industries from potential takeover. But under the legislation, hard-core members will no longer need board approval to sell their stakes after two years.

The former government of Prime Minister Jacques Chirac selected about eight or 10 institutions to become hard-core members of each former state-owned firm. They then tendered to buy shares.

Membership was not publicized, but opposition politicians at the time charged that allies of Mr. Chirac's Rally for the Republic Party benefited both financially and in the influence it gave them over French industry.

The former finance minister in the Conservative government, Edouard Balladur, said in a newspaper interview on Wednesday that he had opened the "hard cores" to everybody and "blocked nobody."



Thomas D. Mignaneli, left, and Robert J. Thomas of Nissan U.S.A., with a 1989 Nissan model.

Nissan Seeks an American Revival

Japanese Automaker Changes Models and Strategies

By John Holusha

New York Times Service

NEW YORK — In the 1970s, when Japanese auto companies were making their big push into the U.S. market with inexpensive, reliable little cars and trucks, Datsun was out in front with the leaders.

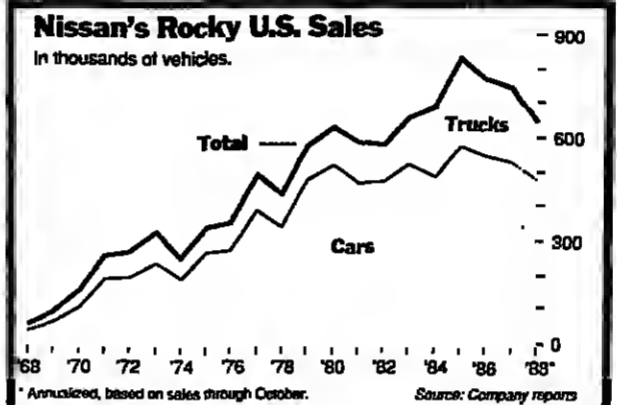
But the good times did not last. Datsun's corporate parent, Nissan Motor Co., insisted on putting its own name on the truck lid in the early 1980s, and that blurred Datsun's strong brand image in the United States.

Then, company executives said, management and design mistakes, plus quality problems, stunted Nissan's American sales while other Japanese companies, particularly Toyota Motor Corp. and Honda Motor Co., were soaring.

At one point, Nissan's inventory was so bloated that rivals joked that its California docks were in danger of sinking into the sea under the weight of unsold Nissans.

Now, struggling to reverse the sales slide in its most important export market, Nissan has crafted a new strategy that it hopes will make it an American contender again.

It is bringing out a revised lineup of cars that has won kudos from the trade press. It is increasing U.S. production capacity, as part of its parent company's efforts to protect itself against currency fluctuations. It is reorganizing and has named several key American managers.



Nissan's Rocky U.S. Sales. In thousands of vehicles. Source: Company reports

And, in perhaps the biggest gamble of all, the American operation — known formally as Nissan Motor Corp. in U.S.A. — is preparing to introduce a new line of luxury cars, to be called Infiniti, that is to compete with European automotive aristocrats like Mercedes-Benz and BMW.

Can Nissan pull it off? Industry analysts say this is the most energy that has come out of Nissan in recent years. But they wonder whether it can woo domestic buyers at a time when more carmakers than ever are jostling for a share of America's stagnant auto market.

And they ask whether Nissan's expansion will add capacity to a market already flooded with cars from Japanese-owned plants in America.

"There is a real question, and risk, in Nissan's added capacity," said Harvey Heinbach, an analyst with Merrill Lynch & Co. "The capacity numbers suggest there is not going to be enough room for everybody. And Nissan is raising capacity before there is."

See NISSAN, Page 15

Ex-Fed Official Charged With Leaking Rates

Compiled by Our Staff From Dispatches

NEWARK, New Jersey — A former member of the board of the Federal Reserve Bank of New York was charged Thursday with leaking interest-rate information to a brokerage, in the first U.S. insider trading case involving a highly placed official of the Federal Reserve system.

Robert A. Rough was accused in a six-count federal grand jury indictment of leaking secret information on the discount rate, the interest charged by the Fed to banks.

Mr. Rough, 49, received \$47,000 in interest-deferred loans from the now defunct Bevil, Bresler & Schulman Inc. investment firm in exchange for the information, the indictment charged.

He allegedly relayed the information by phone from the National Bank of Sussex County in Brantford, New Jersey, and once from the New York Fed boardroom after a meeting, prosecutors said.

Bevil, Bresler made millions of dollars in government-securities trades based on Mr. Rough's advance word about decisions made by the national Federal Reserve Board on the discount rate and on recommendations made by the New York Fed about the discount rate, the indictment said.

Changes in the discount rate, the interest charged by the Fed on loans to banks, can have a strong impact on financial markets.

Mr. Rough's attorney, Michael Himmel, would not comment in detail but said, "Mr. Rough is going to enter a plea of not guilty and vigorously contest the charges."

A member of the nine-member board of the New York Federal Reserve Bank from 1982 to 1984, Mr. Rough recently resigned as president of the National Bank of Sussex.

The New York Fed is one of 12 regional banks in the Federal Reserve system, all of which make recommendations every two weeks on the discount rate.

Word that discount-rate information was leaked became public in April 1987.

The allegations came to light in the trial of Gilbert C. Schulman, Bevil, Bresler's president, on charges stemming from the \$144 million collapse of the New Jersey firm in April 1985. (AP, UPI)

GEC-Siemens Bid for Plessey Is Blocked by British Court

The Associated Press

LONDON — The High Court on Thursday temporarily blocked General Electric Co. of Britain and Siemens AG from proceeding with their joint £1.7 billion (\$3.12 billion) bid for the British electronics company Plessey Co.

The court granted the injunction after Plessey complained that the £2.25-per-share GEC-Siemens bid violates the competition rules in the Treaty of Rome, the founding charter of the European Community.

The injunction will remain in force until Monday, when a full hearing is to take place in the High Court. Neither GEC nor Siemens had any immediate comment on the move. On the London Stock Exchange, Plessey shares fell 6.5 pence, closing at 210 pence.

Siemens and GEC dominate their national markets; a successful bid would create the biggest European electronics alliance.

Plessey said it decided to take the action to court Wednesday after receiving legal advice that the bid could contravene the treaty. It said it believes GEC and Siemens' decision to bid jointly is anti-competitive.

The European Commission is also studying the bid, but has not yet announced whether or not it infringes EC competition rules.

The commission blocked a joint bid by three British companies for Irish Distillers Group PLC earlier this year. (AP, AFP)

Currency Rates

Table with columns for currency, bid, ask, and other rates. Includes entries for London, Tokyo, Zurich, and other centers.

Other Dollar Values

Table showing values for various currencies like Swiss franc, West German mark, etc.

Forward Rates

Table with columns for currency, 30-day, 60-day, 90-day, and 1-year forward rates.

Interest Rates

Table showing interest rates for various currencies and terms like 3-month, 6-month, 1-year.

Asian Dollar Deposits

Table showing rates for 1-month, 3-month, 6-month, and 1-year deposits.

U.S. Money Market Funds

Table showing rates for Merrill Lynch Ready Assets and Telerate Interest Rate Index.

Gold

Table showing gold prices for New York, London, and other locations.



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BUSINESS ROUNDUP

Dutch Drinks Firms Pool Strengths

By Ronald van de Krol
Special to the Herald Tribune
AMSTERDAM — In another sign of concentration in the international food and drinks industry, two leading Dutch beverage concerns said Thursday they planned a wines and spirits joint venture covering Belgium, the Netherlands and Luxembourg.

The proposed joint venture, to group the Benelux activities of Bols' subsidiary Bols Nederland BV and Heineken's Gedistilleerd en Wijnroep Nederland BV, would have annual sales of about 450 million guilders (\$228.3 million) and a work force of 700.

The companies said in a statement, "In view of a declining market and the increasing concentration of foreign distillers, this pooling of resources is a logical step."

Telecommunications Plant Planned by Fujitsu in U.S.

United Press International
RICHARDSON, Texas — Fujitsu America, Inc. on Thursday announced plans to build an \$80 million telecommunications complex on a 100-acre (40-hectare) site that will directly and indirectly create more than 12,000 new jobs in Texas by the turn of the century.

also trigger in a ripple effect the creation of over 7,000 indirect jobs," Mr. Clements said.

The announcement, which Mr. Clements called "another major economic development plan for Texas," marks the second time in a month that a major concern has chosen the Dallas area for expansion or relocation.

Chemical Firms File Court Suits Over EC Raids

Reuters
LUXEMBOURG — Five European chemicals companies began fresh court action on Thursday over raids carried out by the European Commission last year in search of proof of alleged price fixing.

The case at the European Court of Justice is a crucial challenge to the commission's powers to police EC concerns in its efforts to uphold free competition.

The companies, which include Hoechst AG of West Germany, Dow Benelux, a subsidiary of Dow Chemical Co., and three Spanish concerns, complained the commission overstepped its powers in launching the raids.

Hoechst is also appealing against a fine of 55,000 European currency units (\$65,000) imposed on it for initially refusing to let the EC's executive commission search its offices.

Autolatina Plans Investment of \$1.5 Billion in Factories

SAO PAULO — Autolatina SA, the Volkswagen-Ford venture that is South America's biggest carmaker, has said it would invest \$1.5 billion in its Brazilian and Argentine plants between 1989 and 1993.

The announcement Wednesday by Autolatina's president, Wolfgang Sauer, signaled a renewed commitment to a venture that, as recently as November 1987, appeared threatened with closure.

Mr. Sauer said the company's export volume would remain steady at between 60,000 and 70,000 cars in 1989.

Grand Met Had Fine Year: Profit Rose 26%

Compiled by Our Staff From Dispatches
LONDON — Grand Metropolitan PLC said Thursday that its pretax profit had risen 26.1 percent in the latest financial year, boosted by gains in its liquor, food and retailing units.

Grand Met, which has launched a hostile \$5.23 billion takeover bid for Pillsbury Co., said pretax profit grew to \$751.1 million (\$1.06 billion) in the year to Sept. 30 from \$585.1 million in the previous 12-month period.

Also in the past year, the company said it had extraordinary profit of £290 million from the disposal of businesses including its U.S. soft drink operations, sold for \$705 million to PepsiCo Inc., and Children's World. Grand Met also sold 701 pubs in Britain for £80 million.

Thorn Profit Jumps 57%

Reuters
LONDON — Thorn EMI PLC said pretax profit in the half ended Sept. 30 rose 57 percent, to \$95.2 million (\$174.8 million), helped by its semiconductor subsidiary, lighting and music businesses.

The result was a bit above analysts' expectations. Sales in the same period rose 4 percent, to £1.48 billion. Net profit came to \$61.9 million, said the chairman, Graham Wilkins.

sure to consumer spending, expected to be dampened by recent sharp rises in interest rates world-wide, could hurt future results.

U.S. Picks AT&T, Sprint For Huge Phone Contract

WASHINGTON — American Telephone & Telegraph Co. and U.S. Sprint Communications Co. were the winners in a fierce contest to provide communications services to the U.S. government, a prize worth up to \$25 billion by the end of the century.

The losers were Martin Marietta Corp. and its bidding partner, MCI Communications Corp.

MCI said it may challenge the decision, made Wednesday by the General Services Administration. Martin Marietta asked for a detailed briefing on the move, which awarded contracts for a new federal telecommunications system that is to provide service to government agencies through the 1990s.

Sears Boosts Credit Lines

Compiled by Our Staff From Dispatches
CHICAGO — Sears, Roebuck & Co. has granted billions of dollars in added credit to 10 million customers in an effort to boost holiday sales and clear out merchandise.

The move follows a recent announcement by Sears, which has been losing ground to discount chains, that it would switch to "everyday low pricing" from a policy of regular prices with frequent sales on specific items.

The company said Wednesday that it had notified about 40 percent of active Sears credit card holders it raised their credit lines an average 50 percent.

before the extension, more than \$2.5 billion would be available.

At the end of 1987, Sears had \$13 billion in accounts receivable for holders of its store card, an average of \$15 per account. The company refused to reveal how much credit added under the new policy, but if the average credit line were \$15

A Sears spokesman said the customers chosen were considered more creditworthy than those not selected, and more likely to use the extra credit.

NISSAN: Japanese Automaker Unveils Strategy to Revive its U.S. Sales

(Continued from first finance page) demand for the product, which also raises questions.

Analysts also question whether Americans will buy prestige models from Japanese automakers that have little experience making them — and particularly from an automaker with such a fuzzy image.

"If a person has \$35,000 to spend on a prestige car, why should he spend it on one he has to explain to his friends?" asked Christopher Coleman, a researcher at J.D. Power & Associates, a market analysis firm.



Table with financial data for Nissan, including sales figures for 1987 and 1988, and market share percentages.

The biggest luxury model in Nissan's Infiniti lineup, the Q45. percent from 1985 levels, and the slide continues: In the first 10 months of 1988, sales fell almost 17 percent from the year-earlier period.

from the Ford Motor Co. who was recruited 18 months ago to manage Nissan's troubled American marketing operations, the name change began a series of management missteps that ultimately drove buyers away.

The new strategy has several components. Sales operations were reorganized. Six new models are being introduced in the 1989 product year, including a minivan, a 300ZX sports car with nearly 300 horsepower and a top-of-the-line Maxima.

And even if its new strategy works, it will still take time for Nissan to get back its firm footing because consumer perceptions often lag reality.

"The new Maxima is an example of how products are being developed specifically for the American market," said Robert J. Thomas, a Nissan vice president, noting that the model is 3 inches wider than Japanese domestic regulations permit.

"When the Japanese passed the domestics in quality, it took the public three years to notice," said Thomas O'Grady, president of Integrated Automotive Resources, a research firm. "So it's probably going to take Nissan a little time to recover."

"To build brand identity, Nissan in the fall of 1987 introduced an advertising campaign using the tag line, 'Built for the Human Race.' But a television commercial showing 'engineers' sitting around a table discussing Nissan car buyers was criticized by the advertising trade press as too phony.

"I think we're in for a bad two or three years," said Harry Martens Jr., a Nissan dealer in suburban Washington, who said his sales have been down in recent years. And he chose not to apply for an Infiniti franchise.

Nissan is also announced plans to expand its Tennessee manufacturing complex to nearly 300,000 cars and trucks a year from about 260,000, and will make engines and other components nearby.

"Management could not focus its efforts on the product," he added.

Critics have raised eyebrows about expanding capacity at a time of sagging sales, but executives said the move is part of Nissan's global strategy of minimizing the impact of currency fluctuations.

Mr. Mignaneli said the turning point came in the fall of 1987, when Nissan began selling off excess inventory to make way for the new models, and a new American strategy was devised.

A big uncertainty is how well Infiniti will do when it becomes available next fall. The task will be made more difficult by Toyota, which has a similar luxury division, called Lexus.

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Pages 20 & 19 FOR MORE CLASSIFIEDS

**Thursday's AMEX Closing**

Tobies include the nationwide averages up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div. Yld. PE	12 Month High	Low	Stock	Div. Yld. PE
28.50	27.50	IBM	3.8	125	115	IBM	3.8
150	145	AT&T	4.2	70	65	AT&T	4.2
100	95	GE	4.5	45	40	GE	4.5
80	75	Westinghouse	4.0	40	35	Westinghouse	4.0
60	55	General Electric	4.5	30	25	General Electric	4.5
50	45	Rockwell International	3.5	25	20	Rockwell International	3.5

**INTERNATIONAL FUNDS** December 8, 1988

12 Month High	Low	Stock	Div. Yld. PE	12 Month High	Low	Stock	Div. Yld. PE
10.25	9.75	ALMAB GROUP	3.5	15	14	ALMAB GROUP	3.5
12.50	12.00	ALMAB GROUP	3.5	15	14	ALMAB GROUP	3.5
14.00	13.50	ALMAB GROUP	3.5	15	14	ALMAB GROUP	3.5
15.50	15.00	ALMAB GROUP	3.5	15	14	ALMAB GROUP	3.5
17.00	16.50	ALMAB GROUP	3.5	15	14	ALMAB GROUP	3.5

12 Month High	Low	Stock	Div. Yld. PE	12 Month High	Low	Stock	Div. Yld. PE
2.50	2.40	ALMAB GROUP	3.5	15	14	ALMAB GROUP	3.5
2.60	2.50	ALMAB GROUP	3.5	15	14	ALMAB GROUP	3.5
2.70	2.60	ALMAB GROUP	3.5	15	14	ALMAB GROUP	3.5
2.80	2.70	ALMAB GROUP	3.5	15	14	ALMAB GROUP	3.5
2.90	2.80	ALMAB GROUP	3.5	15	14	ALMAB GROUP	3.5

12 Month High	Low	Stock	Div. Yld. PE	12 Month High	Low	Stock	Div. Yld. PE
1.50	1.40	ALMAB GROUP	3.5	15	14	ALMAB GROUP	3.5
1.60	1.50	ALMAB GROUP	3.5	15	14	ALMAB GROUP	3.5
1.70	1.60	ALMAB GROUP	3.5	15	14	ALMAB GROUP	3.5
1.80	1.70	ALMAB GROUP	3.5	15	14	ALMAB GROUP	3.5
1.90	1.80	ALMAB GROUP	3.5	15	14	ALMAB GROUP	3.5

**Belgium Picks Agusta For Helicopter Contract**

BRUSSELS — Belgium decided on Thursday to buy 46 army helicopters from the Italian producer, Gruppo Agusta SpA, for about 11 billion Belgian francs (\$300.5 million), officials said.

The decision ended months of speculation over whether the government would choose Agusta's A109 or its French competitor, the Eurocopter AS365.

"The decision has been made, the purchase has been confirmed," said a Defense Ministry official, who asked not to be named. The helicopters will be used for reconnaissance and battle duty.

Defense Minister Guy Coeche said earlier that he preferred the Agusta helicopter because it has a better price-quality comparison. The Agusta is slightly cheaper.

The two producers made last-ditch appeals to the public with full-page advertisements in Belgian newspapers Wednesday.

**Floating-Rate Notes**

Issued/Mat.	Coupon	Next	Bid	Ask
Dec 1	5.00%	12/15	98.00	98.25
Dec 1	5.00%	12/15	98.00	98.25
Dec 1	5.00%	12/15	98.00	98.25
Dec 1	5.00%	12/15	98.00	98.25
Dec 1	5.00%	12/15	98.00	98.25

**Dollar Decline**

The dollar fell to 175.85 Deutsche marks on Thursday, a low not seen since the summer of 1987. The decline was due to a combination of factors, including a strong Japanese economy and a weak US economy.

**Thursday's OTC Prices**

OTC prices as of 4:00 p.m. New York time

Symbol	Price
ABC	1.25
DEF	0.85
GHI	1.50
JKL	0.90
MNO	1.10

**Deutsche Marks**

Issued/Mat.	Coupon	Next	Bid	Ask
Dec 1	5.00%	12/15	98.00	98.25
Dec 1	5.00%	12/15	98.00	98.25

**Pounds Sterling**

Issued/Mat.	Coupon	Next	Bid	Ask
Dec 1	5.00%	12/15	98.00	98.25
Dec 1	5.00%	12/15	98.00	98.25

**Japanese Yen**

Issued/Mat.	Coupon	Next	Bid	Ask
Dec 1	5.00%	12/15	98.00	98.25
Dec 1	5.00%	12/15	98.00	98.25

As: Australian Dollars; Bf: Belgian Franc; C: Canadian Dollar; DM: Deutsche Mark; ECU: European Currency Unit; FF: French Franc; Ft: Dutch Guilder; L: British Pound; Lira: Italian Lira; M: Mexican Peso; N: New Zealand Dollar; P: Philippine Peso; R: Real; S: Spanish Peseta; Sfr: Swiss Franc; T: Taiwan Dollar; Y: Japanese Yen. Other currencies as indicated. Bid: Best bid; Ask: Best ask; PE: Price/Earnings ratio; Div: Dividend yield; Yld: Yield; High: 12-month high; Low: 12-month low; Stock: Stock symbol; PE: Price/Earnings ratio; Div: Dividend yield; Yld: Yield; High: 12-month high; Low: 12-month low; Stock: Stock symbol.

Source: Credit Suisse First Boston Ltd. London.

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CURRENCY MARKETS

Dollar Declines on Profit-Taking

NEW YORK — The dollar fell Thursday, losing most of Wednesday's sharp gains in a wave of profit-taking dealers said. The U.S. currency had soared Wednesday after the announcement by Mikhail S. Gorbachev, the Soviet leader, of plans to trim his country's armed forces by 500,000 soldiers over two years and to withdraw tank divisions from East Germany, Czechoslovakia and Hungary.

Table with 2 columns: Currency, Rate. Includes Deutsche mark, Swiss franc, Japanese yen, British pound, French franc.

Against the Swiss franc, the dollar fell to 1.4648 from Wednesday's 1.4805, while it dropped to 5.9370 French francs from 6.0105. The British pound rose to \$1.8545 at the close from \$1.8405, having recovered from a rapid decline that resulted from a rumor that the chancellor of the Exchequer, Nigel Lawson, was to resign. The rumor was officially denied.

the Soviet troop cuts evaporated, dealers said. The ostensible trigger for the decline was sales of dollars by the Bundesbank at the fixing in Frankfurt. But some said this was used as an excuse to sell the currency as New York trading began. The dollar, which shot up more than two pence on Wednesday, fell back to 1.7415 DM at the London close from 1.7620. The U.S. currency also retreated to 122.65 yen from 123.75 and to 1.4664 Swiss francs from 1.4863. Sterling advanced to \$1.8515 against the weakening dollar, from Wednesday's \$1.8360, after swinging from a high of \$1.8600 to a low of \$1.8465 as the Lawson rumor circulated. But the pound fell to 3.2203 DM from 3.2380. The dollar fell to 5.9515 French francs from 6.0130.

Fed Describes Its Intervention On the Dollar

NEW YORK — The Federal Reserve Board sold \$2.14 billion in the foreign exchange markets to thwart the dollar's rise in August and September and then bought \$200 million in October to limit the currency's decline, the Federal Reserve Bank of New York said in a report released Wednesday. "We were trying to resist the dollar's rise, not smooth it," said Sam Cross, executive vice president of the New York Fed, in response to questions at a news conference. The U.S. central bank refuses to confirm or deny market intervention on the day it acts, but it does issue reports on its dollar buying and selling four times a year. The Fed sold \$1.81 billion for Deutsch marks between Aug. 5 and Aug. 23, sold \$230 million for marks between Sept. 14 and Sept. 22, and sold \$100 million for marks on Sept. 26. The New York Fed, which intervenes in the currency market on behalf of the Federal Reserve and the U.S. Treasury, said in the report that it carried out the intervention to stabilize the market.

Moscow Considers Issuing First Yen Bonds

TOKYO — A major Soviet bank has held talks in Tokyo about possibly issuing the Soviet Union's first yen bonds, a Soviet trade official said Thursday. Analysts said the discussions were part of a new push by Moscow to raise badly needed foreign currency to help restructure industry and increase trade. The Soviet official and Japanese financial sources said the Moscow-based Bank for Foreign Economic Relations of the U.S.S.R. had talks with Japanese banks and securities houses in October. They declined to discuss the outcome. "There is a possibility the Soviet Union will issue a yen bond," said an official at the Soviet trade delegation, who declined to be identified. "There is certainly a possibility they will issue a bond," said an economist at the semi-governmental Japan Association for Trade with the Soviet Union. "But I do not think it will be a very big amount," the economist added. "It may be a symbolic move to gain experience." He said Moscow would probably dispense the yen it

borrowed to businesses wanting to import Japanese machines and technology. An official in the Soviet bureau of the Japanese Foreign Ministry said he thought it unlikely that the Soviet Union would issue a yen bond because the yen appears to be appreciating against most major currencies. In 1986, Moscow and London signed a pact under which Soviet assets seized by Britain in retaliation for the nonpayment of Tsarist debts were unfrozen for distribution to holders of Russian Imperial bonds and other claimants of assets seized during the Russian Revolution. Analysts said the deal gave Moscow a cleaner credit rating on bond markets. Japan is the world's biggest creditor nation and Tokyo's bond market represents a massive pool of funds for any nation or company wanting to borrow money. Foreign Minister Eduard A. Shevardnadze of the Soviet Union is due to visit Tokyo on Dec. 19 for the first time in nearly three years.

Copper Price Hits Record In London

LONDON — The price of copper, squeezed by tight supply resulting partly from a mine strike in Peru, jumped Thursday in a record \$1.730 (\$3,176.30) a metric ton for three months delivery on the London Metal Exchange. The metal's price retreated to \$1,726 in late business, up \$32 from Wednesday's close, dealers said. In New York, copper prices surged on the possibility that traders who had sold short might not be able to deliver the metal against the expiring December contract on the Commodity Exchange. If so, the shorts, who anticipated a decline in prices, may have to pay dearly to buy out of December contracts, which expire Dec. 30. The December instruments were up 6 cents to \$1.6325 per pound at the close, while March contracts rose 2.7 cents to \$1.40. The possibility of a short squeeze arose because the number of outstanding December contracts remained high relative to the copper stocks at the Comex, that are available for delivery this month. Comex officials have encouraged traders to settle the December contract by raising cash margins. The margin, which in the commodity market only represents "good faith money," was more than doubled, to 25 percent of the value of a contract, last Monday morning. (NYT, Reuters)

GATT: Talks Extended in Bid to Solve U.S.-EC Dispute

(Continued from page 1) negotiations that Argentina planned to spare were concessions to developing countries on tropical products agreed to earlier this week. The conclusions of the Montreal meeting, intended to give new political impetus to the Uruguay round at its midway point, have to be adopted by consensus of all the participants. The meeting's extension was announced Thursday by its chairman, Ricardo Zerbin, the Uruguayan minister of economy and finance, after all-night negotiations failed to bridge the deep gulf between the European Community and the United States on farm subsidies. As it has since the talks opened Monday, the clash focused on the adamant U.S. demand for the long-term elimination of all "trade-distorting" subsidies to agricultural production over a fixed period. Blaming the impasse on a "rigid and unrealistic" stance by the United States, Willy De Clercq, the chief EC negotiator, said that "unfortunately, it seems impossible to reach a common position." Negotiations also remained blocked in the key sector of textiles, where the developing countries are demanding an end to restrictions on their exports under the so-called Multifiber Agreement that expires in 1991.

U.S. officials said they were not displeased with the overall progress of the talks. They said they were particularly satisfied with advances on services, adding that they had always feared that agreement on agriculture might not prove possible in Montreal. In other advances, the United States and the European Community temporarily compromised on financial services by agreeing to give each other's companies "effective market access, including national treatment." Ministers also agreed to strengthen the General Agreement on Tariffs and Trade, under whose auspices the Uruguay Round is being conducted.

Thursday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,200 most traded securities in terms of dollar volume. It is updated twice a year. Via The Associated Press.

Table of OTC prices for various stocks including American Express, American International, American Overseas, etc.

Table of OTC prices for various stocks including American Overseas, American Overseas, American Overseas, etc.

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Table of OTC prices for various stocks including American Overseas, American Overseas, American Overseas, etc.

Thursday's AMEX Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table of AMEX closing prices for various stocks including American Overseas, American Overseas, American Overseas, etc.

Norway to Extend Oil Output Curbs

OSLO — Norway, the biggest oil producer in Western Europe after Britain, said Thursday it would continue to support OPEC by extending its production curbs throughout the first half of next year to try to lift crude prices. Norway is the only oil producer outside the Organization of Petroleum Exporting Countries to actively back the group with a form of output restraint. Oil Minister Arne Oeien had threatened to drop the curbs unless OPEC restored output discipline at its meeting in Vienna last month. "The government's decision is an expression of Norwegian willingness to contribute to a stabilization of the oil price at a reasonably high level," said Egil Helle, a spokesman for the oil ministry. Oil prices rose 30 to 50 cents a barrel on world markets Thursday on signs that Saudi Arabia is ready to back OPEC's latest output accord, traders said. The price of North Sea Brent crude rose in London to \$14.95 a barrel from \$14.65 on Wednesday, while West Texas Intermediate climbed to \$15.90 from \$15.60 a barrel. The Norwegian cabinet agreed on Thursday to extend the 7.5 percent cut in planned production growth, first introduced in February 1987, which has been extended several times since then. Extension of the curbs by Oslo will not affect a sharp increase in output from Norway's North Sea oil fields next year, which the government says was planned long ago. But Mr. Helle said the Norwegian move was unilateral and that it could be dropped if Oslo decided that OPEC was not maintaining strict enough discipline. "There will be a continual assessment as to whether conditions are such that the Norwegian measures should be continued during this period," he said. Mr. Oeien had made his previous threats when oil prices tumbled amid OPEC overproduction. Norway's welfare-state economy is highly dependent on North Sea oil income. But he subsequently welcomed last month's OPEC agreement, which limits all 13 members to an output ceiling of 18.5 million barrels daily for the first half of next year — a production cut of around 20 percent from current levels. Norway is producing a 1.22 million barrels daily, and this will rise to almost 1.5 million by next spring. Oil analysts have said that Norway's support of OPEC has little physical effect on the market, but that its psychological impact has been important.

Salomon Shrinks Swiss Subsidiary

NEW YORK — Salomon Commercial Finance, a unit of Salomon Inc. that is based in Zug, Switzerland, will be scaled down as the result of a strategic review, Robert Salomon, Salomon managing director, said Thursday. He said the capital would be used elsewhere in the investment firm's business. Earlier, the firm announced that \$1.1 billion of foreign retained earnings would be remitted to the United States before the end of the year, resulting in a charge to earnings of \$150 million due to U.S. income-tax liability. Mr. Salomon said the firm would be able to redeploy the funds anywhere in the world in any business. The Switzerland-based finance subsidiary will undergo a reduction in capital to approximately \$600 million from \$1.7 billion as a result of the restructuring. Mr. Salomon said the operation recorded pretax earnings of \$45 million in the three months ended Sept. 30. He said expiration of certain foreign tax credits was a factor in the investment bank's decision. "This gives us greater flexibility to use the money here, as well as overseas," Mr. Salomon said. He said this was coupled with a "strategic decision to shrink the leading business."

BOOK BRIEFS

NIGHTMARES IN THE SKY. By Stephen King. Photographs by f-stop Fitzgerald. Viking Inc., 40 West 23d Street, New York, N.Y. 10011.

New York "every two months or so for the last fifteen years" and failed to notice the gargoyles scattered about the city.

These failures in love and hope would inform his writing — both in his choice of themes and his gently detached point of view.

In writing this volume, Troyat adds to his already impressive résumé as a chronicler of great Russian lives (his previous books include biographies of Tolstoy, Dostoyevsky, Gogol, Chekhov and Pushkin).

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Despite its flaws, this beautiful close-up portrait gallery is one of the few books on the subject and guaranteed to please gargoyle lovers everywhere.

Like Raymond Carver, André Dubus sets his stories largely among the blue-collar and other Americans who confront impossible demands with narrow means.

At current exchange rates books of American publishers will probably cost you less. Call for information. BOOK CALL is your personal bookstore at the end of the phone.

In so much of Turgenyev's finest fiction, love fades, slips away, vanishes before it can even flower.

The passions and desperations are rendered so vividly that the reader is shaken, first, and then numbed. Sex is explosive, rage a choking sensation, sorrow is worse than dying.

World Stock Markets

Table with multiple columns for different stock markets: Amsterdam, Zurich, Tokyo, Sao Paulo, Singapore, Stockholm, Sydney, Frankfurt, London, Johannesburg, Paris, and Seoul. Each column lists various stock indices and their values.

Table with multiple columns for Canadian stocks and various international indices. Includes sections for Canadian stocks via AP, Toronto Dec 8, and various international indices.

Advertisement for Olympic Drug, featuring a list of products and contact information for Michael Janofsky.

Crossword puzzle grid with clues for across and down words.

Weather forecast table for Europe, Asia, North America, Africa, Latin America, and Oceania. Includes high/low temperatures and weather conditions.

Dennis the Menace comic strip panel showing Dennis and Miss Marmalade.

Jumble word game advertisement with a grid of letters and instructions.

Peanuts comic strip panel with characters Woodstock and Snoopy.

Blondie comic strip panel with Blondie and Dag.

Beetle Bailey comic strip panel with Beetle Bailey and his boss.

Doonesbury comic strip panel with characters like Mr. and Mrs. Doonesbury.

Andy Capp comic strip panel with Andy Capp and his wife.

Wizard of Id comic strip panel with characters from the show.

Garfield comic strip panel with Garfield and Jon Arbuckle.

WASC OWLET SOFT AMOI NAVE ALIE MARIALWARSIALS ENTANGLE CIVET TREY BLOB GAGHER YOUR ASP OMOO ABBLE CIA MORNING JOURNINE ERE SALEM ONCE RED OMER LUNGED FLAT PIRM TRIED SEQUENCE MUSTEREDONMUSTARD ABLE ALAMO ASAN NEED PLIKRI LANA

Doonesbury comic strip panel with characters like Mr. and Mrs. Doonesbury.

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SPORTS

The Only Thing Super Will Be Ticket Prices

By Dave Anderson
NEW YORK — If old-timers are still wondering what ever happened to the good 5-cent cigar, young-timers must be wondering what ever happened to the good \$30 Super Bowl ticket.

some and none) of getting to Miami for all those \$150 ticket holders.
National Conference:
New York Giants — Still need consistent blocking by offensive line. Can't risk any more damage to Phil Simms. Some chance.

VANTAGE POINT

back, but their lively quarterback, Jim Kelly, should rally them. Strong chance.
New England Patriots — For all the Doug Flutie headlines, John Stephens' 1,028 rushing yards and a hustling defense have kept them alive for a wild-card berth. Some chance.

At an inflated \$150 a seat, there's no NFL team in contention to justify that price.

Ryan Gets \$2 Million From Texas; Hurst Chooses San Diego

Compiled by Our Staff From Dispatches
ATLANTA — Free agent pitcher Bruce Hurst and Andy Hawkins found new teams and big money Thursday, a day after Nolan Ryan, who has more strikeouts and million-dollar seasons than anyone else in baseball history, signed a contract with the Texas Rangers that guarantees him \$2 million for one year.



Nolan Ryan: 'Diehard Texan.'

Olympic Drug-Testing Plans Backed

By Michael Janofsky
NEW YORK — International Olympic officials, still groping for solutions to the problems of drug use, agreed to new initiatives designed to strengthen their campaign.

90-minute discussion of the role of the IOC in the campaign against drug use.
While the group was unanimous in its resolve to continue the fight, one member said, there was debate over the degree to which the IOC should be involved.

back to their lively quarterback, Jim Kelly, should rally them. Strong chance.
New England Patriots — For all the Doug Flutie headlines, John Stephens' 1,028 rushing yards and a hustling defense have kept them alive for a wild-card berth. Some chance.



BULLING IN — Scottie Pippen of Chicago went for a slam dunk and was fouled by James Edwards of Detroit. But the Pistons held the NBA's scoring leader, Michael Jordan, to 18 points Wednesday night, ending his streak of 72 consecutive games of at least 20 points or more, and won by 102-89.

SCOREBOARD

TRANSITION

BASEBALL
ALTIMORE — Motted Greg Bognini, Don ... and Dick Bommers pitching coach, of ...

BASKETBALL

NBA Standings

Table with columns for Eastern Conference, Central Division, Western Conference, and Pacific Division. Lists teams and their records.

SIDELINES

Isles Fire Coach

NEW YORK (NYT) — The New York Islanders, off to their worst start in 15 years in the National Hockey League, fired Terry Simpson as their coach Wednesday and replaced him with Al Arbour, who coached the team to four straight Stanley Cups in the early 1980s.

Hershiser Adds Gold Glove to Awards

LOS ANGELES — Fitcher Orel Hershiser of the Los Angeles Dodgers has added a Gold Glove Award to his collection of 1988 honors.
Hershiser, who won the National League's Cy Young Award and the World Series Most Valuable Player Award, got the Gold Glove after topping NL pitchers with 32 putouts, 60 assists and 98 total chances and tying for the lead in double plays with six.

Owners Set Strategy

Baseball's 26 club owners closed their 1989 signing season Wednesday with a three-hour preview of labor negotiations and a possible strike by the players in 1990, and said they had unanimously agreed on a strategy.
The player relations committee explained what they plan to do, said Commissioner Peter Ueberroth. "We spent three hours discussing it, the major part of our joint meeting today, and rendered unanimous support for their strategy."

HOCKEY

NHL Standings

Table with columns for Wales Conference and Campbell Conference. Lists teams and their records.

U.S. College Results

Table with columns for EAST, MIDDLEWEST, and SOUTHWEST. Lists college names and scores.

For the Record

Mark Duper, the Miami Dolphins' wide receiver, was denied an appeal of his 30-day suspension for violating the NFL's substance abuse policy; the league said it had been watching Duper for nearly two years because of his association with a convicted drug dealer. (AP)

Quotable

Mark Cavacchia, on winning \$600,000 at the Kapalua Open, which is not on the PGA Tour schedule: "It's not official," but the grocery store doesn't ask you if it's official." (LAT)

SOCCER

U.S. Soccer Cup
Nassif & Giordano Baroneza of Nassif of ...

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Advertisement for International Classified, featuring various escort and travel services with contact information for agencies like Regency, Caprice, and Zurich.

OBSERVER

7 Leveraged Dreamers

By Russell Baker
NEW YORK — When I was a lad, my classmates were Kohlberg, Kravis, Roberts and Company, not to mention Nabisco and RJR. I mention only last names because that's how you've heard of them since they got involved in the famous leveraged buy-out.

RJR, in fact, has no first name, nor last name either. He used to note that he was like President Harry Truman, who was born without a middle name and given the middle initial S to distinguish him from other Harry Trumans. "Since I was born without either a first or last name," RJR said, "they gave me three middle initials to distinguish me from all the other people with no names at all."

Naturally we called him "Roger" just as we always called Company "Two" after Bucky Nabisco skipped school one day and went to the burlesque house where he heard a comedian say, "Two's Company, but Three's a Crowd."

We were inseparable: Kohlberg, Kravis, Roberts, Company, Nabisco, Roger and yours truly. What united us was determination to go into leveraged buy-outs when we grew up.

That was looked down on in those days. Most of the other kids aimed for careers in real estate, corporate law, oil or defense contracting. Except for the girls, of course, who mostly wanted to be nurses or schoolteachers.

The liberationist not having yet reached our school, girls still had this idea they ought to do something useful when they grew up, instead of going into something with good tax-avoidance opportunities. But as Miss Riley said, careers in which you did something useful paid so poorly that you hardly owed enough tax to make avoidance worthwhile.

Miss Riley was the sixth-grade guidance counselor. She was steering everybody toward oil, because in those days the depletion allowance could save you from ever paying income tax. She was also strong on defense contracting because at that time you could avoid taxes almost forever, and though you were expected to manufacture something, nobody really expected it to work.

Kohlberg, Kravis, Roberts, Company, Nabisco, Roger and I were "hopeless idealists," Miss Riley said, because we wanted to do something finer than avoid taxes.

Instead of wasting Saturday afternoons at the movies, we used to meet and plan how we could make the market more efficient, force lazy corporate executives to get on the ball and raise the value of their stockholders' shares, and do other "goody-good stuff," as the kids who were going into oil, law and defense contracting called it.

"No, Miss Riley," we said, "you will never stay us from the swift completion of our appointed duty to improve the market with leveraged buy-outs."

Shrewd Miss Riley knew which one of us lacked the moral strength to persist. One day, having kept me after school to clap the crassers, she said, "You know, of course, what will happen if you go into leveraged buy-outs when you grow up."

I made the mistake of saying, "What?" Imagine my amazement to learn that I would end up making two or three hundred million dollars without ever getting dirt under my fingernails.

"And what will you do with your first \$200 million?" Why, I would buy a car, a house, a suit, a year's pass to the movies, a foreign car, a summer house, a sports jacket, a limousine, a season ticket to the ball game, 10 suits, a bowling alley, a town house in the city, a country house on a mountain, a house at the seashore, 50 foreign suits, some paintings by famous foreigners, a house in California, a house in Florida, a house in Europe, a chauffeur and a new pair of shoes.

"And what will you do with the next \$200 million?" I saw her point. Pretty soon I'd be running my kids — by then I'd have kids — by letting them wallow around in millions. And they would grow up corrupt instead of idealists like me, beneficiary of a widowed mother's \$2.3-a-week salary.

Kohlberg, Kravis, Roberts, Company, Nabisco and Roger wept when I told them, "Much as I want to do something wonderful for America, I will not sacrifice my children to save the market." They never write or call anymore. I was speculating in kids.

Naturally we called him "Roger" just as we always called Company "Two" after Bucky Nabisco skipped school one day and went to the burlesque house where he heard a comedian say, "Two's Company, but Three's a Crowd."

Nikolai Bukharin's Widow: 'I Believed'

By David Remnick
Washington Post Service

MOSCOW — On the southwest edge of Moscow an old woman named Anna Mikhailovna Larina lives deep within her memories. Her life has been a Bolshevik romance, a Stalinist tragedy of show trials, prison, exile and, now, a vindication. "It's as if I'm the living story of everything that has happened to the Soviet Union."

Larina is the 74-year-old widow of Nikolai I. Bukharin, the revolutionist and theoretician whom Lenin called "the favorite of the whole party." After Lenin's death in 1924, Bukharin, who like Trotsky and others had been a key founder of the Soviet state, fought Stalin for power. He was crushed and jailed on trumped-up charges of treason. He was sentenced to death in 1938.

Larina was the daughter of revolutionaries, a witness to all that came after "the Great October." As a child, she met Lenin and Trotsky; as a young woman in the 1930s, she lived with her husband in the Kremlin, down the hall from Stalin. Perhaps no one else had such a clear window on Stalin's murderous rise to power and his creation of what became the modern Communist state.

But perhaps her keenest memory, is a letter, a "testament" that Bukharin gave her to memorize a few days before his arrest. "I am confident that sooner or later the filter of history will inevitably sweep the filth from my head," he wrote. "Know, comrades, that on that banner, which you will be carrying in the victorious march to communism, is also a drop of my blood."

For years, while she languished in prison and internal exile, Larina could not write the testament for fear of informers. In 1956, after Nikita Khrushchev denounced the crimes of Stalin in a "secret speech" to the party leadership, she wrote the testament for the first time.

Now, Bukharin has been legally and politically rehabilitated. Pravda announced that Bukharin's writings will soon be published, and a state commission has opened the door of history to him. In fact, Bukharin is becoming an icon of Soviet possibility, the "alternative to Stalinism."



Anna Mikhailovna Larina in Moscow with a photograph of her husband, Nikolai Bukharin.

There are Bukharin exhibits at the Tretyakov Exhibition Hall and the Revolution Museum. His works are now published in the journals of the Communist Party, as if to give a historical grounding for perestroika. Progress Publishers, which once specialized in tracts on the evils of the United States and Israel, is to bring out a Russian-language edition of the definitive biography, "Bukharin and the Bolshevik Revolution," published 15 years ago by Stephen Cohen, the Princeton University professor.

Standing under a portrait of Bukharin at the Revolution Museum, the widow turns to Cohen, who is in Moscow on a visit, and says, "I believed." Later she amends that: "I believed. I wrote the testament for fear of informers. But I never was sure that this would happen in my lifetime."

"I'm around to tell this story," she says, "because I had such an early start." When she became Bukharin's third wife in 1934, he was 45 and in the midst of a power struggle with Stalin, and she just 19.

Larina had been arrested and sent away. Her 13-month-old son Yuri was given to relatives. In court, Bukharin played a linguistic and moral game with Vyshinsky, admitting to generalities, but denying specifics. He confessed and conducted his own counterfactual of the Stalin regime in a kind of Aesopian language.

According to a death certificate on display at the revolution museum, Bukharin died on March 15, 1938. The cause and place of death is not listed.

"I was deeply depressed that Nikolai Ivaovich was proclaimed a traitor to his people, a spy," Larina says. "I think for the benefit of the masses he accepted his guilt. For educated people who could understand, well, it's unbelievable now that they could have believed it all. They could not understand the meaning, what it was all for."

The authorities told Larina she could be free if she would renege her husband. She chose confinement. She spent eight years in prison and was in internal exile until the late 1950s.

When the authorities finally agreed to let her son visit her in exile, Yuri was 20 years old. He wanted to know who his father had been.

"When I finally told Yuri who his father was, I asked him not to spread it around," says Larina. To this day, Yuri, a painter who has had exhibitions in New York and Western Europe, is proud of Bukharin but does not use his name. Nor will he when he has his first solo exhibit in Moscow in February. (Bukharin also had a daughter, the historian Svetlana, by his second wife, Esfir Gurvich. Both are alive. Bukharin's first wife was killed during the terror.)

Three decades of rock 'n' roll and country music stars paid tribute to Roy Orbison, who died on Tuesday of a heart attack at the age of 52. "He was and always will be one of the greats of rock 'n' roll," said Paul McCartney, the former Beatle. "Roy Orbison was a great musician and a great friend to country music. We have lost a giant," said Dolly Parton.

Critics wondered if they had spent a night at the movies after Milan's La Scala launched its season with Rossini's "William Tell" against a backdrop of film showing the Swiss Alps. The director, Luca Ronconi, responsible for the mix of opera and cinema, was whisked at the end of Wednesday's performance. The music faded, better, with sustained applause for the musical director, Riccardo Muti, and the American tenor, Chris Merritt.

The Academy of Moral and Political Sciences of France has made King Juan Carlos I of Spain an associate member. President Francois Mitterand of France attended the ceremony in Paris. The king's father also is an associate member.

The University of Rome conferred an honorary doctorate of letters on Ingemar Bergman, but his health kept the Swedish film director from attending the ceremony. The Swedish ambassador, Staff Fredrik Hedlin, accepted the diploma on behalf of Bergman.

The Alvin Ailey American Dance Theater celebrated its 20th birthday on the opening night of its season in New York. Ailey, wearing the decoration of the Kennedy Center honors that he received Saturday, said of his dancers: "I'm about to burst into tears. Whether they got mad, I don't know, they left to start their own companies, go on Broadway or have babies, we always come together. That's the essence of what we're about, distilling the spirit with movement."

Michael Jackson was welcomed on Thursday by screaming fans in Tokyo, where he began and will end his 15-month world tour. Some 450,000 people will see the nine sold-out shows which begin on Friday.

"He suffered because he thought he had destroyed my life," she says softly. "Oh, he loved me so."

PEOPLE

Roy Orbison Is Laid

As a Man and Musician

Three decades of rock 'n' roll and country music stars paid tribute to Roy Orbison, who died on Tuesday of a heart attack at the age of 52. "He was and always will be one of the greats of rock 'n' roll," said Paul McCartney, the former Beatle. "Roy Orbison was a great musician and a great friend to country music. We have lost a giant," said Dolly Parton.

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Soviet

Miyazawa Japan Finance Ch

Kiosk Major Gives Up In Argentina Buenos Aires (Reuters) — A noted Argentine army major surrendered Friday after being taken on an infantry base for days following the end of a revolt by officers. President Raul Alfonsín's worst military crisis. Alfonsín sources said Major Ricardo Abate surrendered after a two-hour conversation with a group of colonels in the base in Mercedes, 60 miles (100 kilometers) west of Buenos Aires.

TODAY'S REAL ESTATE MARKETPLACE Appears on page 14

PERSONAL MESSAGES ANNOUNCEMENTS

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